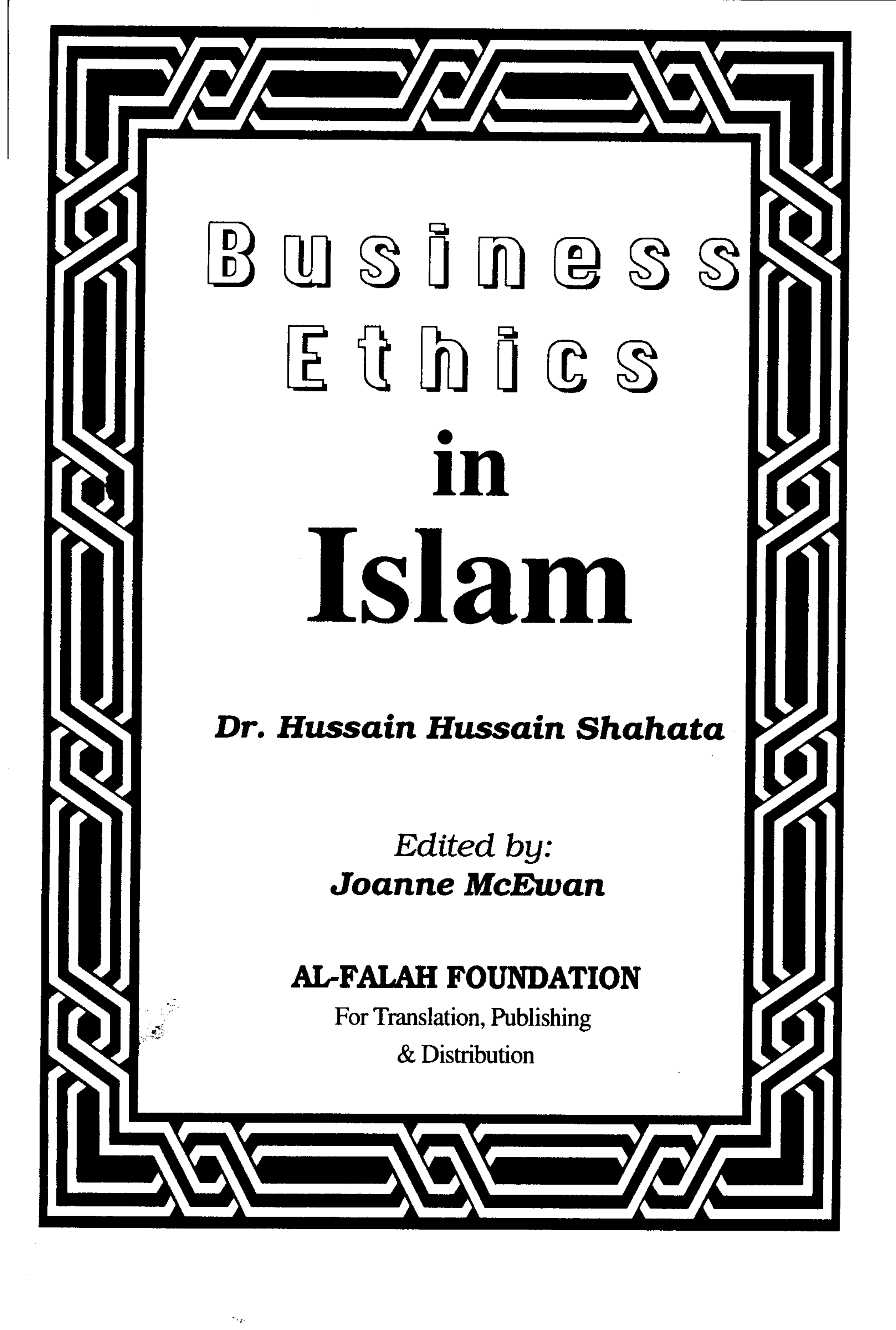


Business Ethics in Islam

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Dedication

To those who answer the call of Allah, subscribe wholeheartedly to the return of Islam, and who carry the banner of the upright Islam.

To grand *Du`ah* and revered scholars who constantly respond to the call of Islam and sacrifice every dear and precious thing for its sake.

To *fuqaha',* Muslim scholars, and pioneers of Islamic thought who highlight the priority of Islam in the field of dealings.

To Muslim business people whose values, morals, and behavior are means for spreading the Islamic faith all over the world, penetrating into east Asia, Europe and Africa.

To all those great people, I dedicate the reward of this effort, praying Allah to accept our good deeds.

Dr. Hussain Shahata

Acknowledgements

The lack of morals and values in the business sphere may be considered to be one of the serious problems that endanger most transactions. Trust is absent. Deceit and plots prevail. A significant number of organizations and business societies all over the world have called for joint efforts to draw up regulations, criteria and stipulations in an attempt to bridge the gab of the lack in moral values and business relation. Some Muslim societies, in turn, have responded to these calls and participated in international meetings and conferences to conclude draft laws with a view to be internationally acknowledged in the future. These efforts, however, exerted by Muslims have not given due concern to the Islamic dimension in defining these laws. Due to this, our author, Dr. Shahata, in the present work aims to draw the attention of Muslim business people to the fact that Islam, with its divine principles, has provided man with principles that can be developed into a complete code of ethics. Dr. Shahata, with the help of some other influential business people contributes to this *Code* as an attempt to present the Islamic model of business people.

Al-Falah feels indebted to Dr. Shahata for giving it the chance to present this valuable work to our English-speaking readers.

Also, we would like to thank **Al-Falah Staff Members** - particularly **Najla' Sayf Ad-Din** who translated the major part of the book - for their efforts in translating and revising this work. Great appreciation is due to **Joanne McEwan**, our editor, under whose guidance and supervision the subject matter took form.

We would like to draw to the attention of our readers that all quoted Qur'anic verses are taken from `Abdullah Yusuf `Ali's translation of the Holy Qur'an.

Finally, all praise and thanks are due to Allah, without Whose help and guidance nothing can be accomplished.

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In the Name of Allah, Most Gracious, Most Merciful

Allah says,

﴿By men whom neither traffic nor merchandise can divert from the remembrance of Allah, nor from regular prayer, nor from the practice of regular charity: their (only fear is for the Day when hearts and eyes will be transformed (in a world wholly new); that Allah may reward them according to the best of their deeds, and add even more for them out of His Grace: for Allah doth provide for those whom He wills, without measure.﴾

(Al-Nur: 37-38)

﴿But if, as is sure, there comes to you guidance from Me, whosoever follows My guidance, will not lose his way, nor fall into misery. But whosoever turns away from My Message, verily for him is a life narrowed down, and We shall raise him up blind on the Day of Judgment﴾

(TaHa: 123-124)

The Prophet Muhammad (pbuh) said,

"Do not nurse grudge and do not bid him out for raising the price and do not nurse aversion or enmity and do not enter into a transaction when the others have entered into that transaction and be as fellow-brothers and servants of Allah.



A Muslim is the brother of a Muslim. He neither oppresses him nor humiliates him nor looks down upon him. The piety is here (and while saying so he pointed towards his chest thrice). It is a serious evil for a Muslim that he should look down upon his brother Muslim. All things of a Muslim are inviolable for his brother in faith: his blood, his wealth and his honor." [1]

"If you are about to make a decision concerning some issue, first consider carefully its consequences. If they are good fulfill it, but if they are bad desist from it."[2]

1. Reported by Muslim.
2. Mentioned in *al-Hilya* by Abu Na`im.



Introduction

Materialism Outweighs Spiritualism

Islam is a comprehensive system and a perfect way of life. It manages the universe's affairs on the basis of religion. It fuses spiritual and material values into one balanced whole in order to make man lead a more decent life sealed by Allah's Pleasure and Mercy in the Hereafter. Matter is the food of the body while ethics is the nutrition of the soul. Worship of Allah is the ultimate end that every Muslim should seek and can reach by the sustenance of the matter. This is derived from Allah's saying:

> ﴿ *I have only created Jinn and men, that they may serve Me. No sustenance do I require of them, nor do I require that they should feed Me. For Allah is He Who gives (all) Sustenance, Lord of Power, Steadfast (forever).* ﴾
>
> (Al-Zariyat: 56-58)

Materialistic concepts have preponderated over spiritual values and dominated most people, especially business people. Wealth, rank and power become the prevalent criteria for evaluating people. The majority forgets fiduciary and moral values, and sound conduct, hence troubles increase and blessings decrease.

Ethics and the Essential Return

The domination of pure materialism worldwide has resulted in many psychological and behavioral problems for business people. Some of these problems are due to their lack - together with their employees and dealers - of principles, morals and ideals. A lot of problems have emerged, and laws and regulations have failed to find any solutions for them. Many business theorists stress the importance of returning to morals and the need to develop a code of ethics. By business people complying with such a code, business transactions will become ethical. Incentives and restraints will be attached to this code in order to guarantee its implementation.

Business Organizations in Non-Muslim Countries Pay Attention to Ethics

Special attention given to Ethics in the field of business is due to several reasons, the most important of them are:

1- The spread of moral defects recently among those who are in charge of companies, firms and corporations and their employees as well. Accordingly, lack of confidence in the leaders, failure and losses are the outcome. Some studies have proven that immoral behavior of administrators and employees is one cause of failure. Such behavior may affect negatively the company reputation and subject it to legal and moral sanctions.

2- Field studies show that adhering to superior ethics creates a good name for companies, firms and organizations. This, in turn, leads to an increase in profitability and growth in the long run. A study carried out by Larry Axlineg in America

compared companies that uphold morals and comply with social responsibility and other companies that do not make this a priority.

This comparison illustrates that the annual average growth in profit in the first case amounts to 11% while it reaches only 6% in the second case. Finally, this study concludes that: "GOOD ETHICS: GOOD BUSINESS".

Business people's associations in several countries have started to establish training centers for business people, publish magazines and pamphlets, and organize conferences and symposiums all concerned with business ethics.

The Islamic Countries' Need for a Code of Ethics for Business People

Material sovereignty - in Islamic nations in general and among business people in particular - that stems from secular thought has resulted in the deviation of some business people from Allah's instructions and rules regarding business transactions. Consequently, disputes erupt between them and they turn to the court. This, in most cases, brings about the loss of rights, destruction of relations, negligence of human considerations, and the ruin of their reputation. It also brings Islam and Muslims to disrepute.

On the other hand, they have lost the spirit of cooperation, integration, co-ordination; the preservation of rights; and desire to conform to the *Shari`ah*. Allah reminds us of this, saying,

﴿ *Help ye one another in righteousness and piety.* ﴾

(Al-Ma'idah: 3)

Likewise, the Prophet (pbuh) urged Muslims to develop this relationship, saying,

"All Muslims should be like one cohesive, firm structure."[1]

Therefore, they are in bad need, more than others, for a code that rectifies their behavior and guides them to the straight way.

Purposes of the Islamic Code of Ethics for Business People

For the above-mentioned reasons and other reasons several writers, including myself, have worked hard to put together a code of ethics for business people in the Islamic world. This code derives its material from the Islamic laws *(Shari'ah)*, international codes that do not contradict the spirit of Islamic principles, and conventions of business people that are compatible with *Shari'ah.* These are the bases of guidance and success which the Messenger (pbuh) emphasized in his saying,

"I left you (Muslims) the Holy Qur'an and Sunnah that if you adhere to them, you will never go astray."[2]

Such a code conforms to Allah's messages and to the sound nature of man.

The Elements of the Islamic Code of Ethics for Business People

This code is presented in three chapters as follows:

Chapter One: The Bases of the Islamic Code of Ethics for Business people.

1. Reported by Al-Bukhari and Muslim.
2. Agreed upon *hadith.*

Chapter Two: The Items of the Islamic Code of Ethics for Business people.

Chapter Three: Islamic Instructions for Business people.

Conclusions, instructions and counsels have been mentioned at the very end of the book to help set business people on the right path of profit and growth.

Hope and *Du`a'*

This code is marked by its brief, simple, style and its focus on the applied aspects. We expect, Allah willing, this code to be developed and improved through more practice. Methodology introduced in this simple work is our first step toward achieving the best standards.

I hope that I have succeeded in introducing a modest study on the subject: *"A Code of Ethics for Businessmen from an Islamic Perspective."* Thanks to Allah Who helps and directs us.

Since there is nothing perfect I wish that Allah forgives my faults in this work if there are any. I am also looking forward to my readers' advice and recommendations in order that I can avoid any mistakes in coming editions. May Allah reward all the scholars and jurists who participated in revising this work. Special thanks are due to Consultant Muhammad Ma'moun Al-Hudhibi, Lashin Abu Shanab, Dr. Al-Mitwalli Zakaria, Sa`d and others.

I would like also to express my gratitude to the business people with whom I consulted prior to the publication of this book. Finally, I call upon Allah through the following *Du`a':*

"O our Lord! Accept this humble work from us and let Your consent be always our desired objective. And our last prayer is that praise be to Allah, the Lord of the worlds."

CHAPTER ONE

Bases of the Islamic Code of Ethics for Businessmen

First: The Meaning of the Islamic Code (*Mithaq*) of Ethics for Business people

Second: Objectives of the Islamic Code of Ethics for Businessmen

Third: Islamic Rules That Regulate the Islamic Code of Ethics for Business people

Fourth: Sources Relied upon in Putting the Islamic Code of Ethics for Business people

Fifth: Incentives in Complying with the Islamic Code of Ethics for Business people

Sixth: Fundamentals of Applying the Islamic Code of Ethics for Business people

Bases of the Islamic Code of Ethics for Business People

Preface

Organizations, unions and associations of business people all over the world have recently developed business codes. These include stipulations, principles or criteria that should be respected and complied with in order to preserve and protect their businesses. Considerable efforts have been made in some Muslim countries to set codes for business people. However, the Islamic perspective has not been given its proper due, therefore there is a religious and professional necessity for approaching this perspective.

This chapter deals with the bases of the suggested 'Code': namely, its meaning, objectives, principles, the sources relied upon in developing incentives for conforming to it and finally the fundamentals of its application.

First: The Meaning of the Islamic Code (*Mithaq*) of Ethics for Business People

Mithaq linguistically means a covenant, alliance, pledge of allegiance and fidelity. It is illustrated in Allah's saying,

> ﴿*And call in remembrance the favour of Allah unto you, and His Covenant which He ratified with you.*﴾
>
> (Al-Ma'idah: 8)

﴿*Those who fulfil the Covenant of Allah and fail not in their plighted word.*﴾

(Ar-Ra`d: 20)

The first generation of Muslims had vowed to conform with the Islamic obligations by giving the covenant and allegiance. The first and second pledge of faith (*Bay`ah*) of *`Aqabah* are examples of this.

What is meant by the Islamic code of ethics in this context is the pledge that business people take upon themselves towards a group of certain ethics, i.e., judicial ethics, moral ethics, behavioral ethics, artistic ethics, etc., which act as: guidance for them in business; a standard for evaluating their performance; and for penalizing them whenever negligence or transgression takes place.

The term ethics in this code is used to mean a set of principles and norms to which business people should adhere in their business dealings, conduct, and relations in order to reach the shores of safety. It is also a criterion for reward or punishment.

Some of the important points of this code are:

1 - It emanates from the original sources of *Shari'ah* and conforms with all the messages of Allah.

2 - It adopts the notion of comprehensiveness (*Shumuliyyah*) as it pays attention to all kinds of ethics whether moral, artistic or abstract.

3 - Its main focus may be on the business sector. However, other sectors can benefit from it as well. This code is also considered to be a cultural project that combines originality and modernity.

4 - This code of ethics can be applied to all business people without any discrimination based on belief, race or ethnicity since it goes in harmony with the sound nature of humanity.

Second: Objectives of the Islamic Code of Ethics for Business People

The Islamic code of ethics for business people has certain chief objectives:

1- The establishment of an Islamic code that regulates, develops and attests the methods of business dealings within the framework of religion. This code also symbolizes guidance to protect business people from taking risks.

2- This code will be a legal base for determining business people's responsibility and for judging them first in front of themselves, and then among the business community, their society and, most importantly, before their Lord.

3- It is also regarded as a legal document which can amicably settle any discords that may arise instead of turning to the laws of the courts that may oppose Allah's laws.

4- The code will contribute in solving many problems between business people and between them and the society in which they work. This, in turn, will result in strengthening the ties of brotherhood and cooperation between them.

5- It will help to develop the educational and training curricula and seminars which address business people. Thereby, it will combine values, morals and sound behavior with contemporary business principles.

6- The code will represent to the entire world a cultural and Islamic pattern which highlights the comprehensiveness and

originality of Islamic thought. It will also emphasize its applicability in every place and time. Moreover, it does not contradict with the messages of Allah.

Third: Islamic Rules that Regulate the Islamic Code of Ethics for Business People

This code depends primarily, in its subject matter, on a group of general principles. These principles have been taken from the books of *Usul al-Fiqh* in general, and *Fiqh al-Mu`amalat*, in particular. Those principles are:

1- The compliance with the goals of the Islamic *Shari`ah* represented in the preservation of one's religion, self, children, mind and money. These, in short, are people's interests in this world and the world to come.

2- The Qur'an contains the general principles of the Islamic *Shari`ah* while the honorable *Sunnah* elaborates these principles. Then comes (the stage of) exerting efforts by the enlightened people to apply these principles. Those enlightened people can also practice *Ijtihad* (to settle an issue) when there is no text (from the Qur'an). This is the continuous journey of *Shari`ah*, which is not affected by the changeable factors of place, time or circumstance.

3- The intellectuals and researchers must abide by the rules of *Shari`ah*. However, *Ijtihad* is permissible for the qualified persons on matters for which there are no texts in the Qur'an, *Sunnah*, or *Ijma'*.

4- It is not allowed to subdue the rules of *Shari`ah*, so that it can be matched with the contemporary concepts and theories which are inconsistent with its roots.

5- Transactions must not engender loss of rights, negligence of duties or opposition of Allah's legislation.

6- All dealings and business transactions, except those forbidden by a text from the Qur'an or *Sunnah*, are permitted when they legally involve benefits. With regards to matters about which nothing is mentioned in the different channels of Islamic legislation, they are considered lawful, since texts are limited and incidents of life are infinite.

7- Dealings which result in devouring people's properties unjustly and lead to corruption are unlawful.

8- If the evidence, under any conditions, is liable to doubt or probability, it becomes invalid. In other words, it can no longer be relied upon in defining the lawful and the prohibited.

9- Be careful not to be harmed by others or to afflict harm upon others. Evil should be eliminated as much as possible. If we are faced with two harmful situations, we have to choose the less harmful. Personal harm should be endured in order to ward off public harm.

10- Necessity is measured by its importance. The limits of legal necessity are:

a) It is the only alternative, otherwise a person will endanger his/her life (the case of death) if he/she does not turn to it.

b) The necessity should already exist and not be a matter of expectation.

c) To have nothing left to keep off this necessity but doing it.

d) The necessity should be sufficiently estimated.

11- Wisdom is the Muslim's pursuit - wherever he finds it, he should seize it. It is allowed for a person to make use of what the human mind has gained as long as it does not contradict with Allah's legislation.

12- Muslims should respect their commitments except those which enjoin what is forbidden by Allah and forbid what Allah allows.

13- There must be no contradiction to the sound nature with which we were created. It should always be under the control of the rules of *Shari`ah,* which are a supportive medium for worship.

14- Reducing costs, alleviating people's burdens, facilitating things for people, and blocking the paths to corruption are some of the goals of *Shari`ah.* Allah says,

> ﴿*And has imposed no difficulties on you in religion, it is the cult of your father Abraham. It is He Who had named You Muslims, both before.*﴾
>
> (Al-Hajj: 78)

15- *Al-`Urf* (custom) must be considered in the business transactions. They are equal to business stipulations as long as there is no text from the Qur'an or the *Sunnah* to the oppose them.

16- When considering transactions and contracts, focus should be on content and significance and not on forms or terms, since conceptualizing a matter is an important part of evaluating it.

17- The legality of ends along with the means and methods employed to realize them is an obligation.

18- Preventing the existence of corruption is more important than bringing benefits.

19- Transactions and contracts are based on mutual consent and not on subjugation. This excludes, of course, what is forbidden by a direct text whether from the Glorious Qur'an or the *Sunnah*.

20- All the messages of Allah were sent down for the welfare of humanity. All of them pay great attention to the creed of monotheism, elevated morals, and uprightness. The objectives of this code are clearly compatible with the aims of all the messages of Allah, in general, and with Islam - the last message - in particular.

Fourth: Sources Used to Develop the Islamic Code of Ethics

In writing this code, we have counted on the following sources:

1- The sources of the venerable *Shari`ah*, that is to say, the Holy Qur'an, the *Sunnah*, *Ijma`*, *Qiyas*, *Istihsan*, and *Al-Maslah Al-Mursalah*.

2- The Islamic traditional and contemporary Islamic systems used in the domain of business.

3- The experience of reliable Muslim business people, from our predecessors and their successors.

4- Codes issued by international organizations, associations and unions of business people, as long as they were within the limits of the Islamic *Shari`ah*..

5- Islamic studies and research fulfilled by contemporary scholars and specialists, and the efforts they have exerted regarding the subject of ethics for business.

6- Knowledge gained from business people's experiences, the problems they face and the means of handling them within the framework of *Shari`ah*.

Fifth: Incentives to Complying with the Islamic Code of Ethics

The following incentives are necessary for ensuring compliance with the Islamic code of ethics:

1- Faith, the existence of the fiduciary motive latent in the soul and the watchful conscience, which observes Muslim's deeds in secret and in public.

Together, they work to make man fear Allah's punishment in the Hereafter much more than fearing any penalty in the world life. This is evident when Allah, Most High, says,

﴿*And He is with you wheresoever you may be. And Allah sees well all that ye do.*﴾

(Al-Hadid: 4)

When the Messenger (pbuh), was asked about charity, he said,

"Charity is to worship Allah, as if you actually see Him, and although you cannot see Him, remember always that He watches you." (1)

This incentive urges business people to stick to this code, since it is considered to be of public interest. If they violate

1. Reported by Muslim.

Allah's laws, they will face His punishment. The application of this incentive is conditional on the existence of the pious business person who feels reverence for Allah and also on the deepening of values in his heart. The Muslim merchant who lived at the beginning of the Islamic State had these characteristics. They were business people and at the same time preachers whose values and ideals were their tools. Muslim merchants in southern Africa and south and east Asia worked enthusiastically to make the call of Islam prevail everywhere because of their morals and dealings in trade.

2- The moral incentive is that with which the Muslim business person is brought up to abide by sincerity, honesty, fidelity, facilitation, magnanimity, contentment and kindness. These are the characteristics that Allah ordains us to acquire.

Allah praises His Prophet (pbuh), saying,

﴿*And thou (Standest) on an exalted standard of character.*﴾

(Al-Qalam: 4)

When someone asked the Messenger (pbuh) about righteousness and guilt, he said,

"Righteousness is good character and wrong doing is that which wavers in your heart and about which you do not want people to know."[1]

Adherence to morals in Islam stems from their being a part of religion. This fact pushes the business people to adhere to the Islamic Code of Ethics.

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1. Reported by Muslim.

3- Social responsibility: The business person is a member in a society and is bound to fulfill certain duties and charges. That is to say, calling for goodness, enjoining what is right and forbidding what is wrong within the sphere of his work. The evidence of this exists in Allah's words,

﴾*Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong: they are the ones to attain felicity.*﴿

(Al `Imran: 104)

The Prophet (pbuh) said,

"Religion is based on giving advice."[1]

This pushes the business person to commit himself to this moral code because he is a guardian responsible for his family and should not to be criticized by his society. The international organizations of business people have finally given attention to their responsibility towards society as a sort of indirect taxes. Islam, however, conceives this as a social solidarity. It considers this act an obligation.

4- Affiliation to the business domain: The business person gives an oath to comply with the codes, laws, and regulations of the business career. Allah, Most High, commands us to keep our oaths, saying,

﴾*And fulfil (every) engagement, for (every engagement will be enquired into (on the Day of Reckoning.)*﴿

(Al-Isra`: 34)

In this context, the Messenger of Allah (pbuh) warned us against breaking covenants, saying,

1. Reported by Muslim.

"Never break a covenant you have signed with anyone until the period of the covenant ends by itself."[1]

Fearing the checks stated in the code, particularly those concerned with the opposition or transgression of commitments, charges and pledges mentioned in it will push the business people to abide by them.

5- The self-reproaching soul: The businessman should have a self - reproaching spirit that blames and punishes him on committing what differs with Allah's legislation and the principles mentioned in the Code. It is such a spirit which feels pacified and satisfied when doing something good while becomes grieved and depressed when committing something wrong, this is given as evidence in Allah's saying,

﴿*By the Soul, and the Proportion and order given to it; and its inspiration as to its wrong and its right. Truly he succeeds that purifies it. And he fails that corrupts it.*﴾
(Ash-Shams: 7-10)

In a question about righteousness, the Prophet (pbuh) said,

"Righteousness is the thing about which the soul and heart feel placid and satisfied while sin is that brings restlessness and worry to the spirit. Consult your heart - whenever you need consultation - even if people offer you counsels."[1]

This motive will lead the business person to strongly reprove himself in relation to what comes in the code.

6- Fearing the authority's punishment: The professional associations which business people are affiliated to work

1. Reported by At-Tirmidhi.

2. Reported by Ahmad.

under the state's supervision and control and have the right to apply penalties stated in the code to whoever oppose them. Therefore, the business person becomes afraid of such penalties, especially those who are not deterred by the previous incentives. The Glorious Qur'an confirms this principle, saying,

﴾*O ye who believe! Obey Allah, and obey the Apostle, and those charged with authority among you. If ye differ in anything among yourselves, refer it to Allah and His Apostle, if ye do believe in Allah and the Last Day: That is best, and most suitable, for final determination.*﴿

(An-Nisa`: 59)

The Messenger (pbuh) motivated Muslims to obey the men in charge as long as they keep to Allah's Law,

`Uthman Ibn `Afaan (may Allah be pleased with him) said, "Allah establishes through men charged with authority what He does not establish through the Glorious Qur`an."

This motive in its turn induces the business person to stick to the ethics embedded in this code in fear that the state should forcibly - owing to its power and authority - impose penalties on him. Those proceedings should be performed under the wings of Allah's obedience otherwise they must be rejected, since no one is to be obeyed in a matter implying a disobedience to Allah.

Sixth: Fundamentals of Applying the Islamic Code of Ethics on Business People

The application of the Islamic Code of Ethics for business people requires a set of fundamentals as follows:

1- The existence of a legal entity such as a body, a union, an organization, a group, an association or a business people's company which will be responsible for the establishment of the code, discussing, accrediting and certifying it at governmental bodies. Then there should be an observation of implementing it and a determination of the restraints and penalties. Any existing legal entity can undertake this responsibility, and this is better and easier.

2- The responsible sanction to found this legal entity - that is to say, business people's association - as a part of the society. They should accredit its code and provide it with the authorities required for its application within the framework of public interests and the nation's benefits.

3- Setting up a committee originating from the designated legal entity and having the power to observe and question whoever opposes commitments and charges of the code. It also takes over the task of preserving the rights of its members.

4- Publishing and defining the code for business people and shedding light on its benefits which achieve safety, trust and solidarity. Every business people has the right to follow its directions without any discrimination based on religion, race or ethnicity.

5- Cooperation and coordination with other legal entities, whether official or not, that relate to business ethics.

6- Setting up a legal monitoring body with the purpose of offering instructions, guidance, counsels and observations in order to make sure that the work of the responsible committees for applying the code is in conformity with the laws and principles of Islamic *Shari`ah.*

CHAPTER TWO

Items of the Islamic Code of Ethics for Business People

First: Personal Formation of the Business Person

Second: Determinants of Lawful Business Spheres

Third: Business People's Relations with Others

Fourth: Towards Perfect Work and Improved Quality

Fifth: Certification of Contracts and Agreements

Sixth: Acceleration of the Discharge of Rights

Seventh: Warnings for Business People

Eighth: Restraints and Penalties

Items of the Islamic Code of Ethics for Business People

Preface

Ethics basically concern with the core of the business person, that is his personality, together with his actions and conduct.

If the business person manages to mould his character according to those righteous ethics, he will succeed in realizing the benefits and rewards of this life and the life to come. Ethics and character formation share strong ties. In ethics, character formation embraces fiducial, moral and behavioral values, and also focuses on the activities that the business person performs from the permissible and the prohibited perspective. It includes the norms, which regulate his relations with his colleagues, persons having business with him, and his employees. There are commitments prescribed on the business person: improving the performance proficiently; promoting the commodities' quality, recording dealings, agreements and contracts, and discharging promptly his duties towards Allah as well as his workers and the entire society. Within this area, there are some forbidden practices that he must keep away from like avoiding suspicion and mischief. This is followed by giving an account of the restraints and penalties imposed upon business people in case of breaching the items of this code.

Suggested items for the previous points are mentioned in this chapter as guide, a base for evaluation and achieving progress, and a reference for penalty execution.

First: Personal Formation of the Business Person

The First Item: Sincerity of Intention and Purity of Faith

The intention behind work of the business person should be for earning and developing legitimate money that gives him sustenance in his worship of Allah. Purity of faith should empower his heart. He should turn to Allah with a sincere intention in whatever he does in order to win His Pleasure.

Allah, Most High, says,

﴿*Say, "Truly, my prayer and my service of sacrifice, my life and my death, are (all) for Allah, the Cherisher of the worlds. No partner hath He: This am I commanded, and I am the first of those who submit to His Will.*﴾

(Al-An'am: 162-163)

﴿*And they have been commanded no more than this: To worship offering Him sincere devotion.*﴾

(Al-Bayinah: 5)

Man's deeds and actions should involve pure faith. Concerning this, the Prophet (pbuh) said to Sa`d Ibn Abi Waqas,

"If you are left behind, whatever good deeds you will do will up-grade and raise you high (in paradise)." [1]

`Umar Ibn Al-Khattab (may Allah be pleased with him) said that the Prophet (pbuh) said,

" Actions are but by intention and every man shall have but that which he intended. Thus he whose migration was for Allah and His Messenger, his migration was for Allah and

1. Reported by Al-Bukhari.

His Messenger, and he whose migration was to achieve some worldly benefit or to take some woman in marriage, his migration was for that for which he migrated."[1]

Sincerity and faithfulness create an atmosphere of psychological stability and tranquility. Pure faith instills in the business person's soul the seeds of satisfaction with what Allah bestows on him. The business person whose spirit embraces the gift of pure faith always observes his own conscience, judges his deeds, restrains his desires and reproaches his own self on committing anything that leads him away from Allah's laws.

The Second Item: Noble Morals

The Muslim business person should stick to noble morals such as honesty, sincerity, loyalty, magnanimity, facilitation, contentedness, temperance, satisfaction, trust in Allah, and many other morals, which are bases for dealings according to Allah's ordinances.

In this context, He, Most High, praises His honorable Prophet's morals, saying,

﴿*And surely thou hast sublime morals.*﴾

(Al-Qalam: 4)

Also, the Messenger of Allah (pbuh) commended the honest merchant, saying,

"Merchants will be resurrected on the Day of Judgment with the band of the wicked save those who were, in the worldly existence, devoted and faithful." [2]

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1. Reported by Al-Bukhari and Muslim.
2. Reported by At-Tirmidhi.

"The sincere, honest merchant will be on the Day of Judgment in the company of the Prophets, the faithful and the martyrs." (1)

Merchants of high morals play a large part in spreading Islam throughout many countries in Africa and eastern Asia.

Adhering to noble morals achieves stability and trust in dealings and in fulfilling the rights of others. Also, it makes goodness and welfare prevail, increases legitimate profits and brings Allah's reward. The enticement for business people to conform to moral behaviors is that it is a form of worship, which is rewarded by Allah in the Hereafter.

The Third Item: Virtuous Conduct in Dealing with Others

Treating people by fair means is one of the fruits, which the rich tree of values bears along with faith, noble manners and submission to Allah's orders. This characteristic, i.e., good treatment of people, is crystallized in business people's treatment of those who work for them and those who deal with them in the field of production, marketing, management or in governmental departments. Treating others by fair means has major features such as cooperation, solidarity, brotherhood, altruism, good advice, uprightness and rivalry in what is desirable.

Allah induces us to care about others and to treat them with consideration, saying,

﴾ *Treat with kindness.* ﴿

(Al-Baqarah: 83)

Likewise, the Prophet (pbuh) said,

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1. Reported by At-Tirmidhi.

"Let him who believe in Allah and the Last Day either speak good or keep silent."[1]

﴾*May Allah's mercy be on him who is lenient in his buying, selling and in demanding back his money.*﴿[2]

Treating people with kindness creates strong ties of love, brotherhood, solidarity, unshakable confidence, peace, and cooperation in all that is virtuous and righteous. This trait contributes in solving problems amicably instead of turning to secular laws, which may bring about injustice. Kindness strengthens the relationships between business people irrespective of their creed, race or ethnicity.

Second: Determinants of Lawful Business Spheres

The Fourth Item: Legitimate Dealings

All dealings should be carried out within the limits and rules of *Shari`ah.* This implies that these dealings should be lawful. Avoiding areas of suspicion and the forbidden is an obligation irrespective of the temptation in attaining more money, profit or being promoted in rank and stature. Dealings, in essence, are lawful except those forbidden by texts from the Glorious Qur'an or the *Sunnah.* These are the original sources of Law in Islam.

Allah, Most High, confirms this meaning in the Glorious Qur'an, saying,

﴾*Eat of the things which Allah hath provided for you, lawful and good.*﴿

(Al-Ma'idah: 88)

1. Reported by Al-Bukhari and Muslim.
2. Reported by Al-Bukhari.

The Prophet (pbuh) urged us to follow the permissible dealings and to keep away from the forbidden things, in the following *hadith*,

> *"That which is lawful is plain and that which is unlawful is plain and between the two of them are doubtful matters about which not many people know..."* (1)

Following the permissible makes business performed according to Allah's Law. To apply this, business people should have some regulations, bylaws and programs based on the principles and laws of *Shari'ah*. By conforming to the lawful, both business and dealings will be easier. Lawful dealing evokes feelings of peace and serenity, even if the gain is little, yet is great to Allah.

The Fifth Item: Conducting Business in What Is Good and Pure

Business should be in good and pure dealings and be restrained from the illicit, no matter the amount of wealth and profit involved. Allah is good and accepts nothing but the good. There is a strong relation between the lawful and the good as stated in Allah's saying,

> ﴿ *O ye people! Eat of what is on earth, lawful and good.* ﴾
> (Al-Baqarah: 168)

Shari'ah has forbidden the squandering of what is good. The thing itself may be good but using it unlawfully renders the whole deed forbidden.

In the Qur'an, Allah has ordered us to adhere to what is good,

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1. Reported by Al-Bukhari and Muslim.

﴿*O children of Adam! Wear your beautiful apparel at every time and place: Eat and drink: But waste not by excess, for Allah loveth not the wasters. Say: Who hath forbidden the beautiful (gifts) of Allah, which He hath produced for His servants, and the things, clean and pure, (which He hath provided) for sustenance? Say: They are, in the life of this world, for those who believe, (and) purely for them on the Day of Judgment.*﴾

(Al-A`raf: 31-32)

In another Qur'anic verse, Allah, Most High, says,

﴿*O ye who believe! Give of the good things which ye have (honorably) earned.*﴾

(Al-Baqarah: 267)

In this context, the Messenger (pbuh) said,

"Allah, the Almighty, is good and accepts only that which is good." [1]

"What a blessed wealth is that which is good and in the hand of a good man!" [2]

Business that is carried out within the sphere of what is good results in achieving stability and growth of business, profit and money. Bad can never be equal with good even if the bad involves large sums of money. Sticking to the good brings feelings of tranquility, peace and satisfaction.

The Sixth Item: Adherence to Islamic Priorities

One should adhere to Islamic priorities in investment, production and consumption. He should give priority to the

1. Reported by Muslim.
2. Reported by Ahmad and Al-Hakim.

necessities over the luxurious things so as to avoid wasting money in unnecessary things.

This principle is confirmed in the Glorious Qur'an when Allah, Most High, says,

﴿*Eat and drink: But waste not by excess.*﴾

(Al-A`raf: 31)

﴿*Eat of the good things We have provided for your sustenance, but commit no excess therein.*﴾

(Taha: 81)

On his part, the Prophet (pbuh) said,

"Eat, drink and give alms without haughtiness and extravagance, as Allah loves to see His bliss apparent in His servant's deeds." (1)

"Give charity first to yourself, and if something remains, give it to your family, and if there is still something left, offer it to your relatives then to the further and soon."(2)

Conforming to Islamic priorities leads to the provision of what is needed for sustenance, and to accommodating and improving the material and human energies. Accordingly, efficiency and sufficiency can be realized, more riches and profits attain welfare and blessings extend to embrace the entire Islamic *Ummah* and even the whole universe.

Third: Business People's Relations with Others

The Seventh Item: Good Selection of Partners

1. Reported by Ahmad, An-Nasa'i, and Ibn Majah.
2. Reported by Ahmad, An-Nasa'i.

Values, elevated morals and technical efficiency must be the criteria for selecting partners. In the case of establishing companies, having troublesome partners must be avoided whatever the amount of profit and power gained from their partnership is, since dealing with such characters lead to disputes, loss and liquidation.

In this respect, the Glorious Qur'an says,

﴿*Truly many are the partners (in business) who wrong each other: Not so do those who believe and work deeds of righteousness, and how few are they?*﴾

(Sadd: 24)

﴿*Allah puts forth a Parable - A man belonging to many partners at variance with each other, and a man belonging entirely to one master: are those two equal in comparison? Praise be to Allah! But most of them have no knowledge.*﴾

(Az-Zumar: 29)

In the *hadith quddsi*, Allah, Most High, says,

"I am the Third of two partners who abide by the pact of loyalty and honesty toward each other. But whenever this pact is violated by any of them I shun their partnership." (1)

Furthermore, he (pbuh) said,

"Allah's Hand supports the partners unless they do betray one another." (2)

The good choice of partners who enjoy high manners and good conduct results in the stability, growth and continuity of this partnership. Moreover, this creates an atmosphere of

1. Reported by Abu Dawud and Al-Hakim.
2. Stated in *al-Mughni ma` ash-Sharh al-Kabir*, p. 101.

confidence, congruity, mutual consultation and cooperation, which in turn bring about benefaction not only for the partners, but also to the entire Islamic nation. This sort of partnership enjoys the benefits of exchanged views and experiences, collaboration and deep ties of fraternity and intimacy , and above all the blessing of Allah.

The Eighth Item: Good Selection of Workers

Workers should be chosen on the basis of their moral qualities as well as their technical competence. The development of these characteristics according to the principles of Islam is essential to raise the efficiency and quality of performance. In this context, Allah, Most High, says,

﴾ *Therefore, when he had spoken to him, he said: "Be assured this day, thou art of high standing with us, invested with all trust.* (Yusuf said,)' *Set me over the store-houses of the land: I am a good keeper, knowledgeable.* ﴿

(Yusuf: 54-55)

﴾ *O my (dear) father! Engage him on wages: Truly the best of men for thee to employ is the (man) who is strong and trusty.* ﴿

(Al-Qasas: 26)

The Messenger (pbuh), said,

"Whoever gives a man authority over a group of people whereas more virtuous is there among them betrays Allah, His Messenger, and the believers."[1]

"The honest treasurer who gives willingly what he was or-

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1. Reported by Al-Hakim.

dered to give, is one of the two charitable persons, (the second being the owner)."[1]

The human element, namely the employee, is the basis of success. However, if good, the work performed will be wholesome and profitable; if it is bad, it will bring about the destruction and failure of the business. Thus the employee must be selected carefully, bearing in mind that he is a Muslim brother having rights which must be fulfilled and responsibilities which he must discharge. In this way we achieve our goals. The adherence to Islamic principles in business is compensated in sustenance and blessings. Accordingly, security and stability in business can be achieved.

The Ninth Item: Cooperation Between Business People

Cooperation with other business people is necessary in order to exchange information and experience. It is a legal necessity particularly in the case of confronting and challenging the enemies who threaten the wealth of our *Ummah.*

The Glorious Qur'an calls Muslims to collaborate, saying,

﴿*Help ye one another in righteousness and piety, but help ye not one another in sin and rancor.*﴾

(Al-Ma'idah: 2)

Another glorious verse also reads,

﴿*Is it they who would portion out the Mercy of thy Lord? It is We Who portion out between them their livelihood. In the life of this world: And We raise some of them above others in ranks, so that some may command work from others. But*

1. Reported by Al-Bukhari and Muslim.

the Mercy of the Lord is better than the (wealth) which they amass. ﴾

(Az-Zukhruf: 32)

The Prophet (pbuh) stimulated people to cooperate, saying,

" A faithful believer to a faithful believer are like the bricks of a wall maintaining each other."[1]

In another *hadith*, he elucidated,

"Religion is sincerity and well-wishing. We said: To whom? He said: To Allah, His Book, His Messenger, and to the leader of the Muslims and their public."[2]

The collaboration business people's collaboration leads to stability in business and supports both those who have stumbled and those who have been inflicted by a calamity. And it supplies strength to face illegitimate competitions or monopoly. Solidarity and cooperation endow the business person with a sense of dignity and strength, which surely leads to tranquility.

The Tenth Item: Consultation in the Fields of Management and Decision-Making

This item stresses on the importance of consulting experts in the management field in general and in adopting managerial resolutions in particular. According to Islamic thought, it is known as *shura* (consultation) while it is perceived by the prevalent political thought as democracy.

The importance of *shura* is emphasized through Allah's saying which portrays the features of believers. Allah says,

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1. Reported by Al-Bukhari and Muslim.

2. Reported by Muslim.

﴾ *Who (conduct) their affairs by mutual consultation.* ﴿
(Ash-Shura: 38)

Allah has ordained His Prophet to ask the advice of his companions when saying,

﴾ *So pass over (their faults), and ask for (Allah's) forgiveness for them; and consult them in affairs (of moment). Then, when thou hast taken a decision, put thy trust in Allah. For Allah loves those who put their trust (in him).* ﴿
(Al `Imran: 159)

The Prophet (pbuh), also said,

"The caliphate of a person who is appointed without the consultation of all Muslims is null and void." [1]

In another *hadith,* the Messenger said,

" Religion is sincerity and well-wishing..." [2]

Applying *Shura* to management and the decision-making domain results in boosting the morals of partners and employees, and in arriving at sound managerial resolutions. Business people by following this system can be guided safely to the most reasonable decisions. Regret is never the outcome of seeking advice. Concerning *Shura*, `Umar Ibn Al-Khattab said, "If people fail to convey truth and men in charge fail to consider it both will lose all that is good." *Shura* entices the spirit of enthusiasm and the determination to work, and decreases disputes and complaints.

1. Reported by Ahmad.
2. Reported by Muslim.

Fourth: Towards Perfect Work and Wholly Improved Quality

The Eleventh Item: The Use of Up-to-Date Technological Methods

The use of up-to-date technological methods in the business sphere is a necessity in order to develop and improve business and production. This is accomplished under the shed of legitimacy and good as the Prophet (pbuh) implied in his recommendations concerning the empirical worldly affairs, he said,

"You know your worldly affairs better than I do."

Allah, Most High, says,

﴾*And He created (other) things of which ye have no knowledge.*﴿

(An-Nahl: 8)

The Prophet (pbuh) urged us to seek knowledge in his saying,

"Whoever follows a path to seek knowledge therein, Allah will make a path to Paradise easy for him..."[1]

In another *hadith,* the Prophet (pbuh) said,

"Wisdom is the objective searched for by the believer. Wherever he finds it, he should be the first to act upon it."[2]

Facilitating work, improving production and widening the scope of competition are the outcome of using such modern technological methods. Thereby, the Muslim business person

1. Reported by Muslim.
2. Reported by At-Tabarani.

can be always on the throne of leadership and independence. The use of modern technology supports and keeps the continuity of national economy as well as the economy of the Islamic nation. It is a fountain of welfare for all people.

The Twelfth Item: Perfection and High Quality

Bringing work to a perfect state through following Islamic norms and technical specifications achieve the optimum amount of public interests and face competitions. Continuous research and experiment are essential to developing performance, upgrading production, increasing service efficiency and reducing costs and prices.

The proof for this is through Allah's saying,

> ﴿*That which is on earth We have made but as a glittering show for it, in order that We may test them-as to which of them are best conduct.*﴾

(Al-Kahf: 7)

Allah says in another verse,

> ﴿*As to those who believe and work righteousness, verily We shall not suffer to a (single) righteous deed.*﴾

(Al-Kahf: 30)

The Prophet (pbuh) constantly stimulated Muslims to excel in work, saying,

> *"Allah loves the man who when works performs his work excellently."* [1]

Likewise, he (pbuh) shed light on this characteristic in another *hadith*, saying,

1. Reported by Al-Baihaqi.

"Allah, Glory to Him, loves the proficient worker." (1)

In a third *hadith,* the Prophet Muhammad (pbuh) said,

> *"Verily Allah has prescribed proficiency in all things. Thus, if you kill, kill well; and if you slaughter, slaughter well. Let each one of you sharpen his blade and let him spare suffering to the animal he slaughters."*(2)

Efficiency and quality achieve steadfastness, development and growth. That in turn closes the doors of failure and liquidation.

In Islam, efficiency and high qualities are kinds of worship and obedience. If the business person reaches those ends having this intention (the intention of doing this as a kind of worship) in his heart, he will surely harvest the fruits of grace and bliss.

The Thirteenth Item: Paying Heed to Research and Advancement

Improving work and developing money operating through legal channels are objectives of the Islamic *Shari'ah*, as they are included within the sphere of money preservation. In order to realize that, more studies and research should be fulfilled, since the means by which an obligation is attained, is in itself an obligation.

Islam not only calls for pursuing the path of science and research but also makes that an act of worship. The scope is wide open before everyone to benefit from what the human intelligence has devised in every age and as long as that accomplishes lawful objectives.

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1. Reported by At-Tabarani.
2. Reported by Muslim.

The Glorious Qur'an in many verses emphasizes the importance of science, research and development. Allah says,

﴾*Say: 'Travel through the earth and see how Allah did originate creation: For Allah has power over all things.'*﴿

(Al-`Ankabut: 20)

﴾*If a contingent from every expedition go forth to devote themselves to studies in religion and admonish the people when they return to them, that thus they (may learn) to guard themselves (against evil).*﴿

(At-Taubah: 122)

The Prophet (pbuh) has incited Muslims to pierce through the gates of science in his *hadith*, saying,

"A knowledge that guides a person to righteousness and keeps him away from dangers is the best thing to be acquired. And faith cannot stand firm unless the mind remains firm." (1)

Delving into the depths of profitable knowledge - such as technology - is a collective duty. This is what the Prophet incites in his saying,

"Wisdom is the objective searched for by every believer wherever he finds it, he should be the first to act upon it."(2)

Research and advancement in the sphere of earthly affairs are necessary for the continuity of business and for facing steadfastly the external competitions and challenges that come from the enemies of the *Ummah* and of Islam. Both these factors

1. Reported by At-Tabarani.
2. Reported by At-Tabarani.

enable man to make use of the hidden gifts, which Allah endows him with.

Fifth: Discipline and Certification of Contracts and Transactions

The Fourteenth Item: Discipline and Organization in Business

Discipline and organization in business are practical necessities leading to efficiency of work and service. Some of the common means in this sphere are contracts, bylaws, instructions, resolutions and the like. Disciplined and organized work yields satisfactory and accurate results, whereas disorder triggers deficiency and failure.

Islam pays special heed to those two characteristics. Allah has put every thing -large and small- an organized structure. Even the different acts of worship have been organized in a very accurate way. Allah says,

﴾*It is not permitted to the sun to catch up the moon, nor can the night outstrip the day: each (just) swims along in (its own) orbit (according to law).*﴿

(Yasin: 40)

The Prophet placed great importance discipline and organization in all his affairs. The organization of *mujahideen* in the two Battles of Badr and Uhud is a clear example of this fact. Allah has stressed the negative consequences of disarray when the archers left their posts on the Mount Uhud, as saying,

﴾*Say (to them): "It is from yourselves.*﴿

(Al `Imran: 165)

The Prophet (pbuh) used to arrange the lines of worshipers for prayers. He (pbuh) said,

"Straighten your rows or Allah will alter your faces."[1]

Discipline and organization bring about trust as well as proficiency and development in business. The principle of reward and punishment subsequently can be implemented and this, in turn, generates efficiency, high quality and increasing sales and profits.

The Fifteenth Item: Recording and Witnessing Transactions

It is obligatory to record and witness transactions at the time they are conducted using whatever means suits the time, place and context. The preferred methods rely on technology, such as computers, information systems and the Internet. Wisdom is the objective searched for by every believer wherever he finds it; he should be the first to act upon it.

The evidence of recording and witnessing transactions is in Allah's saying,

﴿*O ye who believe! When ye deal with each other, in transactions involving future obligations in a fixed period of time, reduce them to writing: let a scribe write down faithfully as between the parties: let not the scribe refuse to write: as Allah has taught him, so let him write. Let him who incurs the liability dictate, but let him fear Allah his Lord and not diminish aught of what he owes.*﴾

(Al-Baqarah: 282)

Concerning the necessity of calling on witnesses when recording transactions, Allah, Most High, says,

1. Reported by Muslim.

﴿*And get two witnesses, out of your own men. And if there are not two men, then a man and two women, such as ye choose, for witness.*﴾

(Al-Baqarah: 282)

With respect to the aim behind the writing transactions and bringing witnesses, Allah elucidates,

﴿*Disdain not to reduce to writing (your contract) for a future period, whether it be small or big; it is just in the sight of Allah more convenient to prevent doubts among yourselves.*﴾

(Al-Baqarah: 282)

Ad-Dahak narrated that the Prophet sold and recorded what he sold. He (pbuh) held the collectors of *Zakah* accountable for the funds, which they collected. This is clearly shown in the following *hadith.*

The Prophet (pbuh) appointed a man called Ibn Utbiyya from the tribe of Al-Azd for collecting the *Zakah.* When he returned he said, "This (i.e., the *Zakah*) is for you and this has been given to me as a present." The Prophet (pbuh) said,

" Why had not he stayed in his father's or mother's house to see whether he would be given presents or not? By the name of Him in whose hands my life is, whoever takes something from the resources of the Zakah (unlawfully) will be carrying it on his neck on the Day of Resurrection; if it be a camel, it will be grunting; if a cow, it will be mooing; and if a sheep, it will be bleating." The Prophet (pbuh) then raised his hands till we saw the whiteness of his armpits,

and he said thrice, " O Allah! Have I not conveyed Your message (to them)?"[1]

The Prophet (pbuh), used to ask his Companions to take a census of Muslims, saying,

"List the names of those people who have announced that they are Muslims." Hudhaifa said we listed one thousand and five hundred men." [2]

It is related on the authority of Al-Ada'a Ibn Khalid Ibn Hawdha that the Prophet (pbuh), sent him a written message:

"This is what al-Ada'a Ibn Khalid Ibn Hawdha has bought from Muhammad, the Apostle of Allah. He has bought such and such ... transactions between Muslims should be void of evil harm and malice." [3]

Recording and witnessing transactions achieve verification, trust, abidance by the items, justice in defining rights, and removing of skepticism between people, and sharers in particular. On the other hand, the recording provides business people with the information needed for managing business. Authentic, accurate and quick information is a basis for right decisions.

The Sixteenth Item: Certification of Business Dealings and Contracts

Everything should be clear and evident before striking any business deals. Transactions must be certified by recording and signing contracts in the attendance of the witnesses. Pawn and

1. Reported by Al-Bukhari and Muslim.
2. Reported by Al-Bukhari.
3. Reported by At-Tirmidhi.

other kinds of warranties are important for maintaining rights.

This is extracted from Allah's words:

﴿ *If ye are on a journey, and cannot find a scribe, a pledge with possession (may serve the purpose). And if one of you deposits a thing on trust with another, let the trustee (faithfully) discharge his trust, and let him fear Allah his Lord. Conceal not evidence; for whoever conceals it, his heart is tainted with sin and Allah knoweth all that ye do.* ﴾

(Al-Baqarah: 283)

In another verse, Allah ordains Muslims to put contracts into effect,

﴿ *O ye who believe! Fulfil (all) obligations.* ﴾

(Al-Ma'idah: 1)

The Prophet Muhammad (pbuh), called us to comply with our obligations and covenants, saying,

" Never break nor throw aside a covenant you have signed with anybody till the period of covenant ends by itself."[1]

This directive is repeated but with different words in another *hadith* when the Messenger of Allah said,

"Muslims must fulfill their obligations except those that turn the forbidden lawful and vice versa."[2]

Concluding contracts and keeping pledges bring about successful transactions, just dispensation of rights, settling disputes and maintaining good relations among business people.

1. Reported by At-Tirmidhi.
2. Reported by At-Tirmidhi and Ahmad.

Fulfillment of commitments is one attribute of the Muslim that elicits Allah's pleasure.

The seventeenth Item: Amicable Arbitration in Disputes

On the eruption of disputes or conflicts over the items of contracts and transactions, there must be recourse to amicable arbitration. The common convention in this respect is that every party chooses its arbiter, and the two arbiters then have the choice of the third one. Sufficient guarantees are taken from every side so that the rules of the amicable arbitration committees will be implemented, observed before the judiciary. Amicable arbitration and reconciling are virtues that Allah prompts us to follow. He, Most High, says,

> ﴾*In most of their secret talks there is no good: but if one exhorts to a deed of charity or conciliation between people (secrecy is permissible): To him who does this, seeking the good pleasure of Allah, We shall soon give a reward of the highest (value).*﴿
>
> (An-Nisa': 114)

The Glorious Qur'an calls for making peace between people in general in Allah's words,

> ﴾*The believers are but a single brotherhood: So make peace and reconciliation between your two (contending) brothers; and fear Allah, that ye may receive mercy.*﴿
>
> (Al-Hujurat: 10)

In his *hadith,* the Prophet (pbuh) exhorted the reconciliation between people, saying,

> *"Each person's every joint must perform a charity every day the sun comes up: to act justly between two people is a*

charity; to help a man with his mount, lifting him onto it or hoisting up his belongings onto it is a charity; a good word is a charity; every step you take to prayers is a charity; and removing a harmful thing from the road is a charity."[1]

Conciliating business people through amicable arbitration instead of resorting to courts has many advantages. For example, it offers a good chance for the conflicting parties to show their allegations. In addition, it shortens the period of disputing and achieves justice more effectively; besides, its costs are much less.

Sixth: Acceleration of the Discharge of Rights

The Eighteenth Item: Prompt Discharge of Employee's Rights

The rights of the employee are briefly represented in determining the nature of work assigned to him, his wage, compensations, reimbursements, and the time due for their fulfillment. Certifying those items in a labor contract and discharging them without delay or depreciation are among his rights too.

Allah has obliged Muslims to give the employee his due in full without underestimation or unfairness. He, Most High, ordains,

> ﴿*Nor withhold from the people the things that are their due: Commit not evil in the land with intent to do mischief.*﴾
>
> (Hud: 85)

Allah also has warned us of not paying the labor's wage in full. In one of His *hadith qudsi* , Allah, Most High, says,

1. This *hadith* is generally accepted amongst scholars.

"There are three whose adversary I shall be on the Day of Resurrection: a man who has given his word by Me and has broken it; a man who has sold a free man and has consumed the price; and a man who has hired a workman, has exacted his due in full from him and has not given him his wage."[1]

The *Sunnah* as well induces us to be prompt in giving the employee their wages. The Prophet Muhammad (pbuh) in one of his sayings taught us the following,

"Give the worker his due financial reward before his sweat (which is the result of work) becomes dry."[2]

Fulfillment of an employee's due highly intensifies his sense of affiliation to the firm or company he works in, encourages him to work harder and helps raise his productive capacity and capability to improve the quality of work. It invokes feelings of satisfaction, safety and good will.

The Nineteenth Item: Debt-Payment in Due Date

Every debtor is obliged to settle his liabilities in their due date as long as he is able to. Moreover, this is a sort of commitment fulfillment, which is considered a bright feature in a Muslim.

Regarding this issue the Glorious Qur'an conveys Allah's order as follows:

﴿ *O ye who believe! Fulfil (all) obligations.* ﴾

(Al-Ma'idah: 1)

1. Reported by Al-Bukhari.
2. Reported by Ibn Majah.

In another verse that depicts the qualities of believers, Allah says,

﴾Those who faithfully observe their trusts and their covenant.﴿

(Al-Mu'minun: 8)

Accelerating debt-settlement is an obligation, which the Prophet Muhammad focused on in his *hadith.* He (pbuh) said,

" Whoever takes other's money (in debt) intending to pay it off, Allah will support him (so as to pay it off), but whoever takes other's money intending to destroy it, Allah will destroy him."[1]

He (pbuh) cautioned us against procrastination especially by a rich one as saying,

" Procrastination (delay) in paying debts by a wealthy man is injustice. So, if your debt is transferred from your debtor, you should agree." [2]

Granting the insolvent a respite was endeared to us by the Prophet's preaching where he pointed out,

"Who loves dearly to be delivered from the great calamity of the Day of Judgment is to respite a man in difficulty or to acquire him altogether from his debts."[3]

In addition, in another *hadith,* the Messenger of Allah, said,

" Whoever alleviate (the lot of) a needy Person, Allah will alleviate (his lot) in this world and the next."[4]

1. Reported by Al-Bukhari.
2. Reported by Al-Bukhari.
3. Reported by Ibn Majah.
4. This *hadith* is generally accepted by scholars.

The discharge of liabilities generates stable transactions, rising trust, good business and benefits. This also keeps the business people away from disputes, troubles, hatred and deprivation of Allah's facilitation.

The Twentieth Item: Quick Fulfillment of Allah's Obligations

Binding by Allah's obligations, which He has proscribed on the rich's wealth to accrue to the poor. Alms on money and alms-giving at the end of Ramadan are two examples of these obligations. They (obligations) must be the first things fulfilled before other duties and liabilities.

This is proved by the coming verse in which Allah says,

﴿*And those in whose wealth is a recognized right. For the (needy) who asks and him who is deprived (for some reason of asking.)*﴾

(Al- Ma`arij: 24-25)

﴿*Of their wealth take alms, that so thou mightest purify and sanctify them.*﴾

(At-Tauba: 103)

The Prophet (pbuh) emphasized the necessity of paying alms in a situation where he sent Mu`adh Ibn Jabal to the people of Yemen to tell them that,

"Allah has prescribed a charity on the rich amongst them so as to be given to their poor men."[1]

Another *hadith* says,

" The Muslim who gives alms intending the reward of Allah will be goodly rewarded, but who abstains we will take it

1. Reported by Al-Bukhari and Muslim.

from him besides a portion of his wealth; that is Allah's resolutions and none of them is due to Muhammad's family."[1]

Paying *Zakah* and *sadaqah* without delay bestows on business people an inner serenity. It also preserves, develops, purifies money, and transmits feelings of stability and safety in the heart of the poor. In short, goodness embraces the whole society. Furthermore, the money from which alms are given is never reduced.

The Twenty First Item: Haste in Giving Society its Rights

The country's rights are duties that must be fulfilled, and in their fulfillment leads to many benefits for the entire society as a whole. These rights are embodied in, for example, taxes, land taxes (*kharaj*), and any other forms of money (employing that is prescribed by men in authority as being essential in the public interest; this is known in *Fiqh* as *At-Tawzeef*. *At-Tawzeef* means a temporary financial obligation imposed for emergencies).

Giving alms and spending money in the cause of Allah are streams of goodness which never run dry. Allah, Most High, says,

﴾*And in their wealth there is a due share for the beggar and deprived.*﴿

(Az-Zariyat: 19)

In this glorious verse, Allah does not limit this right but leaves it open. Allah, Most High, says,

﴾*It is not righteousness that ye turn your faces toward east west; but it is righteousness to believe in Allah and the Last Day, and the Angels, and the Messengers; to spend of your*

1. Reported by Ahmad, An-Nsa'i, and Abu Dawud.

substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the slaves; to be steadfast in prayer, and give Zakah, to fulfil the contacts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic. Such are the people of truth, the God-Fearing. ﴾

(Al-Baqarah: 177)

The scholars of Qur'an regarding this verse elucidate that the money given here - apart from *Zakah* - is implicitly a proof of *At-Tawzeef,* as Allah, Glory be to Him, has urged us to give money to our kin, orphans, the needy, the wayfarer, those who ask and slaves (in order to be ransomed). Then Allah instructs the believers to practice regular charity. *At-Tawzeef* is also shown through the *Sunnah.* A *hadith* illustrates that, saying,

"Whoever has an additional place on his mount sufficient for another rider, should make it available to the one who has no mount. Similarly, the one who has additional provision, should provide the one who has no provision."[1]

`Umar narrated that the Prophet (pbuh) was asked: "Are there other channels for money other than *Zakah*?" The Prophet (pbuh) answered: "Yes".

In another narration, he (pbuh), said,

"Money is to be spent on duties aside from Zakah."[2]

The Prophet (pbuh) said about the Ash`areen people,

1. Reported by Muslim.
2. Reported by At-Tirmidhi.

"If some of them are killed in the battlefield or if the food of their children has been dwindled all the Ash`ari band collect what they owe in one pot and divide it equally among themselves, so they belong to me and I am one of them."

Fuqaha' have allowed taxes besides *Zakah* whenever any legal need appears and within the limits of the rules of *At-Tawzeef.*

As for the non Muslims who live within the borders of the Islamic State, they have rights and obligations. In Islam, the legal rule says, "They (non-Muslims) share with us (Muslims) rights as well as duties."

If the business person executes his duties towards his society, disputes, positive law sanctions and the society's censure will not be involved in business. This will also keep the state's financial system in balance since it expends funds gained from taxes on legal fields such as security, education, medical care and public utilities.

Seventh: Warnings for Business People

The Twenty Second Item: *Riba*

Riba is a conclusively forbidden practice in Islam. It must be excluded from all transactions whether in cash or in kind, accomplished or suspended, and intended for investment, or for consumption. The reason why *Riba* is religiously prohibited is that it hinders the circulation of money, and leads to a rise in price, inflation and unemployment. It is a sort of illegal exploitation of people's needs. In fact, its disadvantages are limitless. People who practice *Riba* become indolent and

dependent and even lose the appetite for enterprise which is regarded as a pillar of lawful business.

The following Qur'anic verse is a proof to the prohibition of *Riba*:

> ﴾*That which ye lay out for increase through the property of (other) people, will have no increase with Allah.*﴿
>
> (Ar-Rum:39)

Allah, the Exalted, refers to this issue on two occasions in *surat* al-Baqarah. He, Most High, says:

> ﴾*Allah hath permitted trade and forbidden usury (Riba).*﴿
>
> (Al-Baqarah: 75)
>
> ﴾*Allah will deprive usury of all blessing, but will give increase for deeds of charity.*﴿
>
> (Al-Baqarah: 276)

There are numerous indications in the *Sunnah* that prohibit usury.

The prophet (pbuh) warned us of this when saying,

> *"Allah has cursed the one who takes Riba, the one who gives it, the one who writes it down and those who witness it."*[1]

In another *hadith*, he ordered us to refrain from *Riba* which is considered one of the gravest offenses. He (pbuh) said,

> *"Avoid the seven heinous sins..."*[2]

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1. Reported by Muslim.
2. Reported by At-Tirmidhi.

Among these heinous sins, the Messenger of Allah (pbuh) stated devouring *Riba.*

Avoiding *Riba* results in a flow of money, stability of transactions, firmness on facing crisis and a feeling of security against bankruptcy. Business dealings without usury bring less costs and more profits.

By avoiding *Riba*, we can evade a certain war with Allah and safely follow the path of obedience.

The Twenty Third Item: Evil Things and Impurities

Evil things and impurities are other prohibited areas of business.

"Necessity knows no law" is a rule that must not be misunderstood or misused in the light of what is impure. Leading a life of luxury and comfort is not a necessity. Necessity is the thing that if we neglect it, we will be afflicted with hardship and distress. Some of the bad things that we are obliged to shun are dead meat, blood, the flesh of swine, idols and other things that the *fuqaha'* have set forth in detail.

Warding off all what is impure and bad is one of the obligations towards Allah that is recurrent in the Glorious Qur'an. Allah says,

> ﴿*Say: 'Not equal are things that are bad and things that are good.*﴾

(Al-Ma'idah: 100)

﴾*He allows them as lawful what is good (and pure) and prohibits them from what is bad (and impure).*﴿

(Al-A`raf: 157)

The Prophet (pbuh) said,

"Allah is Good and never accepts save what is good." (1)

In another *hadith,* he (pbuh) warned us that money gained from unlawful food or drink is unlawful too(2). The Prophet (pbuh), furthermore, pointed out the legal rule that: What is forbidden by Allah, its price becomes accordingly forbidden.(3)

Escaping from the vicious circle of impurities has the advantage of protecting people (particularly the youth) from the dangers that manifest in harming the self, religion, mind, honor, and money. People must believe that Allah, Most High, will multiply their earnings if it is good and licit. Thus, they will not fear poverty because Allah will enrich them with His bounty.

The Twenty Fourth Item: Acquiring Others' Property Unlawfully

Acquiring others' property unlawfully has many forms such as bribery, fraud, gambling, monopoly, bidding up to rise prices, giving deficient measures and stalling debts, etc. Such practices are prohibited by Allah. Profit must be acquired through legal channels.

The evidence of the prohibition of such practices is represented in Allah's saying,

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1. Reported by Muslim.
2. Reported by Ad-Darqutni.
3. Reported by Ad-Darqutni.

﴿O ye who believe! Eat not up your property among your selves in vanities.﴾

(An-Nisa': 29)

﴿And do not eat up your property among yourselves for vanities, nor use it as bait for the judges with intent that ye may eat up wrongfully and knowingly a little of [other] people's property.﴾

(Al-Baqarah: 188)

The *Sunnah*, in turn, clarifies the same issue. The Messenger (pbuh) said,

"Allah has cursed the one who offers a bribe and the one who receives it."[1]

"The one who cheats us does not belong to us."[2]

Concerning the forbidding of the unlawful profit, the Prophet (pbuh) said,

"If any one of you is appointed by us to a position of authority and was fully paid, whatever he receives moreafter is misappropriately gained."[3]

Allah, Most High, says,

﴿If any person is false [to his trust], he shall, on the Day of Judgment, restore what he misappropriated; then shall every soul receive its due, whatever it earned, and none shall be dealt with unjustly.﴾

(Al `Imran: 161)

1. Reported by Al-Bukhari.
2. Reported by Muslim and At-Tirmidhi.
3. Reported by Abu Dawud and Al-Hakim.

Refraining from usurping others' property guarantees a balance in business, trust in dealers and an increase in money leading to higher profits. This will, in addition, foster feelings of inner satisfaction and trust.

The Twenty Fifth Item: Prodigality and Showiness

Because money is one of Allah's precious gifts to us, it must be safeguarded in our position. It must not be wasted, and should be spent only on what is useful and beneficial. Prodigality and showiness are two vices, which Allah has strongly prohibited. Moderation is the correct alternative that people engaging in commercial transactions should stick to. This is a virtue of the righteous.

Moderation in spending is a characteristic of the believers. Allah says,

﴿*Those who, when they spend, are not extravagant and not niggardly, but hold a just [balance] between those [extremes].*﴾

(Al-Furqan: 67)

As for squandering money, Allah in another verse says,

﴿*But squander not [your wealth] in the manner of a spendthrift.*﴾

(Al-Isra' : 26)

Excess in caring for appearances, arrogance and vanity are also proved forbidden by Allah; He says,

﴿*Allah loveth not the arrogant, the vainglorious.*﴾

(An-Nisa': 36)

The prohibition of these ills in the Qur'an are paralleled in the Prophetic *ahadith*. In one of these *ahadith*, the Messenger (pbuh) referred implicitly to the value of moderation, saying,

"Waste not, want not."[1]

"Drink, eat, give alms and wear clothes but without extravagance or vanity." [2]

Furthermore, the Prophet Muhammad (pbuh) warned us,

"Guard yourselves against vanity. And do not fear blame for living on subsistence level."[3]

To eschew extravagance, waste and showiness simply means to shield yourself and your company from failure, liquidation or continual depreciation of capital.

The Twenty Sixth Item: Doubtful Matters

Doubtful matters should be completely avoided. If not, one may become involved in committing unlawful matters. Any outlet leading to such matters should be thoroughly shunned. Satan, thereupon, becomes powerless. Allah blesses what is lawfully gained. In this context, we should remember the Messenger's saying,

"Leave that which brings you doubt to that which makes you doubtless."[4]

Doubtful matters is a thorny path that Allah orders us not to follow. He, Most High, says,

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1. Reported by Ahmad and At-Tabarani.
2. Reported by Ibn Majah.
3. Reported by Ibn Majah.
4. Reported by At-Tirmidhi.

﴿He it is Who has sent down to thee the Book; in it are verses basic or fundamental [of established meaning]; they are the foundation of the Book: others are allegorical. But those in whose hearts is perversity follow the part thereof that is allegorical seeking discord, and searching for its hidden meanings, but no one knows its hidden meanings except Allah.﴾

(Al `Imran: 7)

A lot of *ahadith* have forbidden drawing near doubtful matters. The Prophet (pbuh) said,

"Leave what raises doubt and turn to what you see is clear."[1]

Fending off doubts helps produce disciplined business and conduct. On the other hand, it is a stimulus that urges concurrence with the Islamic *Shari`ah*, and generates tranquility and piety.

The Twenty Seventh Item: Illegal Sales

Illegal sales must be expelled from business even if the profits are high. True profit only comes from lawful sales. The *Sunnah* has given a detailed account of these unlawful sales along with the *fuqaha'* who have devoted many chapters in their works to them. The most prevalent kinds of forbidden sales are those shared with the enemies and those based on *Riba*, exploitation, fraud, simulated contracts and so forth.

The Glorious Qur'an emphasizes the obligation of desisting illegal sales, saying,

1. Reported by At-Tirmidhi and An-Nsa'i.

﴿*Eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will.*﴾

(An-Nisa': 29)

The references in the *Sunnah* have included many *ahadith* that elaborate this. The Prophet (pbuh) said,

"Do not nurse grudge and do not bid him out for raising the price and do not nurse aversion or enmity and do not enter into a transaction when the others have entered into that transaction and be as fellow-brothers and servants of Allah. A Muslim is the brother of a Muslim. He neither oppresses him nor humiliates him nor looks down upon him. Piety is here, [and while saying so] he pointed towards his chest thrice. It is a serious evil for a Muslim that he should look down upon his brother Muslim. All things of a Muslim are inviolable for his brother in faith: his blood, his wealth and his honor." (1)

Also, he (pbuh) said,

"Avoid whatever I forbid you (to do), and do whatever I order you (to do) as possible as you can."(2)

As for prohibiting monopoly, the Prophet Muhammad (pbuh) said,

"The one who monopolizes a commodity aiming at raising its price is sinful."(3)

The Prophet (pbuh) prohibited *Bay` Al-`Aynah* or the simulated sale (a sale intended for collecting money rather than

1. Reported by Muslim.
2. Reported by Al-Bukhari and Muslim.
3. Reported by Al-Hakim.

owing goods). This can be clearly known from the next *hadith* in which the Prophet (pbuh) said,

> *"If people withhold granting alms, practice Al-`Aynah, follow cows' tails and retreat from fighting in the cause of Allah, they will bring upon themselves damnation and affliction unless they return to their Lord."*[1]

Forbidden sales result in usurping others' money, which creates a state of imbalance in markets and business. This causes the loss of rights, spread of disorder, envy, hatred, lying, gambling, and other vices. Business people who believe that business has to rely upon the seizure of opportunity, whether the opportunity is legal or not, must recognize that such opportunities hold nothing but meager, transient benefits. Whereas, what is lawful is better and more enduring.

The Twenty Eighth Item: Bad Morals

Bad morals, which become a mushrooming malady within the sphere of business, have to be completely eradicated since they cause grave losses to others' rights. Taking false oaths, disloyalty, cheating, exploitation, greed, reluctant discharge of obligations besides giving deficient weights and measures, withholding things due to others, and the like are all forms of bad morals.

There are various Qur'anic verses that warn Muslims against bad morals. Below are some of these verses:

> ﴿*(There are) men whom neither trade nor sale can divert them from the Remembrance of Allah, nor from regular*

1. Reported by Ahmad and Abu Dawud.

Prayer, nor from paying zakah; their (only) fear is for the Day when hearts and eyes will be turned about. ﴾

(An-Nur: 37)

﴿ *O ye who believe! Eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will.* ﴾

(An-Nisa': 29)

The *Sunnah* provides other examples. The Prophet (pbuh) warned us by his saying,

"Avoid making too many oaths while selling, for it upgrades (the goods) and downgrades (the benefit in this life and the reward in the Hereafter)."[1]

With regard to those who are reluctant in discharging their duties, he (pbuh) said,

"Whoever takes people's property intending to pay it back Allah will help him pay it back; and whoever takes people's property intending to ruin it Allah will ruin him."[2]

The Prophet (pbuh) prohibited forgery and perjury. It is narrated on the authority of `Abdullah Ibn Mas`ud that the Prophet Muhammad (pbuh) said,

"The person who violates his oath or vow draws on himself Allah's wrath and punishment."

then he (pbuh) read the following Qur'anic verse,

﴿ *As for those who sell the faith they owe to Allah and their own solemn plighted word for a small price, they shall have*

1. Reported by Muslim and An-Nasa'i.
2. Reported by Al-Bukhari.

no portion in the Hereafter: Nor will Allah speak to them or look at them on the Day of Judgment, nor will He cleanse them. ﴾

(Al `Imran: 77)

Disloyalty is forbidden in Islam. The Prophet (pbuh) said,

"Three traits co-existing in a person make him a hypocrite even if he fasts, prays, and pretends to be a Muslim: When he talks, he lies; when he makes a promise, he breaks it; and when he is entrusted, he betrays."[1]

Bad manners in business cause fluctuation in transactions and fragility in confidence between business people and consumers. Consequently, individuals as well as society will face a serious harm such as fostering disputes, preventing Allah's blessings and results in excess in wrongdoing. But marring the reputation of Islam is the most detrimental outcome of all.

The Twenty Ninth Item: Bad Company

Good company, which connects pious, virtuous believers together, is an invaluable blessing. On the contrary, bad or immoral company is a curse that drives its members to the maze of aberration and evident loss. No goodness is expected from bad company especially when their hypocrisy, deception and race for the present life come to the surface. They are a plague that befalls their country and society.

Avoiding the company of immoral people is an ordinance of Allah and highlighted in His words,

1. Reported by Muslim.

﴾*And incline not to those who do wrong, or the fire will touch you; and ye have no protectors other than Allah, nor shall ye be helped.*﴿

(Hud: 113)

﴾*Let not the Believers take for friends or helpers Unbelievers rather than Believers.*﴿

(Al `Imran: 28)

﴾*To the Hypocrites give the good tidings that there is for them a grievous chastisement. Those who take for friends unbelievers rather than believers: Is it honor they seek among them? Nay, all honor is with Allah.*﴿

(An- Nisa': 138-139)

Many *ahadith* in the *Sunnah* have informed us of the danger of taking the hypocrites and the wrongdoers as friends. The Prophet (pbuh) said,

"Every Prophet and caliph has two retinues. the first one encourages him to do the right and pushes him towards the path of goodness. And, the second one allures him to do the wrong and drives him to the bottomless pit of evil. The winner is whom Allah delivers to the company of the first group."[1]

Many grievous dangers have ensued from keeping bad company, not only for business people but also for the society as a whole. These dangers are shown in the breaching of trust, spilling the beans, leaving one in the lurch, deceiving others and similar wrongs. When the wrongdoer realizes his worldly objectives he turns from being a friend to a foe. He may even

1. Reported by Al-Awza`i.

betray his homeland for the sake of money paid to him by the enemies of his country and religion.

The Thirtieth Item: Belligerent Enemies

All kinds of business shared with the enemies must be severed. To have business with your enemy means that you are propagating their sales, increasing their profits and wealth, and supporting their economy. On the other hand, you miss the priceless chance of striking transactions with your Muslim brothers who are worthier of your partnership. "Charity begins at home" is a wisdom that you should take benefit from. The property of your Muslim brother is yours, and its fruits are yielded to both of you.

The Glorious Qur'an offers evidence that forbids such kinds of transactions. Allah says,

> ﴿*Allah only forbids you, with regard to those who fight you for (your) faith, and drive you out of your homes, and support (others) in driving you out, from turning to them (for friendship and protection). It is such as turn to them (in these circumstances),that do wrong.*﴾
>
> (Al-Mumtahanah: 9)

Having business with the enemies is also prohibited in the *Sunnah*. In one of his *ahadith*, the Prophet Muhammad (pbuh) said,

> *"A believer to another believer is like a building whose different parts enforce each another."* [1]

1. Reported by Al-Bukhari and Muslim.

He (pbuh) in another *hadith* advised us saying,

"Do not take for a friend anybody except your Muslim brother and offer not your food but to believers."[1]

Ceasing business with the enemies of our religion and country and giving priority to faithful people on one's country yields plentiful profits and an increase of wealth. It also strengthens the national economy and maintains the country's sources are not to be violated by the enemy.

The Thirty First Item: Property Must not be Destroyed or Ruined

Preserving and multiplying money through legal means is one of the Islamic *Shari`ah*"s objectives. Therefore, money should be invested by capable and qualified persons in this domain otherwise the effect would be detrimental. The *Shari`ah* has forbidden certain kinds of sales because they lead to the loss of money.

The Glorious Qur'an demonstrates the necessity of protecting and investing money. At the same time, it rejects sorts of investment that put capital at risk. Allah says,

﴾*To those weak of understanding give not your property which Allah has assigned to you to manage, but feed and clothe them therewith, and speak to them words of kindness and justice.*﴿

(An-Nisa': 5)

Allah has ordered us to protect the orphan's property. He, Most High, says,

﴾*Make trail of orphans until they reach the age of marriage; if then ye find sound judgment in them, release their*

property to them; but consume it not wrongfully, nor in haste against their growing up. If the guardian is well-off, let him claim no remuneration, but if he is poor, let him have for himself what is just and reasonable. When ye release their property to them, take witnesses in their presence: But all-sufficient is Allah in taking account.﴿
(An-Nisa': 6)

In respect of this issue, the Prophet (pbuh) mentioned many *ahadith*. For example, he (pbuh) said,

"The first things that the son of Adam will be asked about are four; one of them is his money, by what means he gains it and in which channels he spends it."[1]

"The orphan's capital should be invested in business for fear that it should be consumed by Zakah." [2]

Rejecting to invest money through those who are extravagant and ill-experienced is a means of preserving it, and a kind of submission to Allah's ordinance too. This, accordingly, helps business to progress and to evade problems of losses and liquidation. As a result, managers and owners of projects will enjoy a good reputation within the business arena.

The Thirty Second Item: Violation of Laws and Regulations

Obedience to men in charge, and implementation of laws and regulations - especially those related to business - are obligatory unless they contravene Allah's laws. Business people have to conform to laws in order to avoid cases of libel, imprisonment,

1. Reported by At-Tirmidhi.
2. Reported by At-Tabarani and At-Tirmidhi.

confiscation, business freezing and so forth. They should discharge their duties and obtain their rights through legal means.

Obeying men in authority is an obligation that is drawn from Allah's words,

> ﴿*O ye who believe! Obey Allah, and obey the Messenger, and those charged with authority among you. If ye differ in anything among yourselves, refer it to Allah and His Messenger, if ye do believe in Allah and the Last Day: That is best, and most suitable for final determination.*﴾
>
> (An-Nisa': 59)

Such an obligation is also inferred from the Prophet's (pbuh) *hadith* which is reported on the authority of Ibn `Umar, (may Allah be pleased with him). The Prophet (pbuh) was asked to judge men in management who took their rights in full but abstained from fulfilling their obligations. At first the Prophet (pbuh) did not give an answer, but when he was insistently asked, he replied,

> *"Listen to them and obey them, for on them shall be their burden (to do justice) and on you shall be your burden (obedience)."*[1]

Keeping away from sanctions imposed by the state brings about stability for business people. They also can evade penalties of heavy fines, extortion of property and cessation in activities. Hence, business people will have their businesses protected and their minds will be put at rest.

1. Reported by Muslim.

Eighth: Restraints and Penalties

The Thirty Third Item: Compliance with Code

Principles of this code must be fulfilled since it is a covenant like that must be adhered to, even if we differ with them in some respects. This is what Allah orders us to do through His words:

> ﴾*And fulfill (every) engagement, for (every) engagement will be inquired into (on the Day of Reckoning)*﴿
>
> (Al-'Isra': 34)

> ﴾*Nay, those that keep their plighted faith and act aright, verily Allah loves those who act aright.*﴿
>
> (Al `Imran: 76)

The *Sunnah* encompasses many examples of the Prophet's (pbuh) *ahadith,* which emphasize the obligation of fulfilling our covenants. Prophet Muhammad (pbuh) said,

> *"Whoever amongst you makes a covenant with some other people, he must not break it or throw it aside until its deadline is near reached or throw their covenant back at them so as to be on equal terms."*[1]

Abiding by the items of the code brings forth a balance in business and achieves the lawful aims of business people, which involve many benefits to individuals, society and the Muslim *Ummah* in general.

The Thirty Fourth Item: Restraints and Penalties

The implementation of penalties established in this code aims at rectifying, improving and realizing worthy ends. A committee formed by business people is responsible for

1. Reported by Abu Dawud and At-Tirmidhi.

executing disciplinary proceedings, which vary according to the gravity of the breaches committed. Such penalties are represented in reprimand and dismissal discipline.

What stresses the necessity of prescribing punishment upon those who violate their pledges is Allah's words:

> ﴾*So that He rewards those who do evil, according to their deeds, and He rewards those who do good, with what is best.*﴿
>
> (An-Najm: 31)

As for the execution of penalties, Prophet Muhammad (pbuh) confirmed,

> *"By Allah, if Fatimah, the daughter of Muhammad, stole, surely, I would have cut off her hand."*[1]

The main purpose behind such sanctions is to rectify the uncommitted conduct of some business people, protect business along with the Islamic society as a whole from the negative effects of this behavior and prevent breaches in the law from augmenting.

Summary

In this chapter, we have introduced the major items of the '*Islamic Code of Ethics for Business People*' which were divided into certain sets. Some are concerned with the personal formation of business people and others with their relation to other persons within the field of business. There is a third set that focuses on their performance, contracts, commitments and

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1. Agreed upon *hadith*.

amicable arbitration. We have mentioned also other items, which shed light on some forbidden areas, which business people must refrain from. All these items stem from the principle of the enjoining what is right and forbidding what is wrong.

Business people should not look at these items as shackles imposed on them. On the contrary, they are the means to a successfully managed business. Such items help fulfill their legal purposes and protect business from the dangers of failure and liquidation.

Conforming to this code enables business people to harvest endless blessings, and to stand firm in front of challenges of the enemies of our religion and country. Nowadays, our enemies compete with us through disguised means represented in collective forms such as associations, organizations and firms. Therefore, it is injudicious on our part to confront such blocks individually, as we have to be one unit. Allah, Most High, has illustrated this matter in the Glorious Qur'an by saying:

﴿ *The Unbelievers are protectors, one of another: Unless ye do this (protect each another), there would be tumult and oppression on earth, and great mischief.* ﴾

(Al-Anfal: 73)

Two pressing questions at the end of this summary stirs in one's mind: When should we apply this code and how can we start? The answers will be given shortly.

CHAPTER THREE
Islamic Recommendations

First: Recommendations for Business People

Second: Supplications Related to Business

Third: A Call to Business People

Islamic Recommendations

Preface

Business people are in dire need of guidelines that contain certain foundations to help them in accomplishing their objectives. Management scholars, in general, have paid special heed to the determination of such foundations and divided them into codes and recommendations. Associations, therefore, have been established with the aim of putting these foundations into effect.

The Glorious Qur'an and the honorable *Sunnah* embrace a group of rules and principles which, if fulfilled, will yield great success for business people both in the present world and in the Hereafter. Allah says,

> ﴾*And We have sent down to thee the Book explaining all things, a Guide, a Mercy and glad tidings to Muslims.*﴿
>
> (An-Nahl: 89)

The Prophet (pbuh) elucidated this verse in the following *hadith*,

> *"I have left two things that you will never go astray as long as you are holding firmly to: The Book of Allah and my Sunnah."*

Many of the *fuqaha'* and Islamic economists have resorted to independent reasoning (*ijtihad*) in order to deduce legal regulations associated with business.

Moreover, Allah's Book and the Prophet's *Sunnah* furnish a bulk of preferable *Du`a'* (prayers) that business people should recall when dealing with others.

In short, this chapter projects some of the most important Islamic recommendations, which can guide business safely towards the shore of success. Also it introduces us to a marvelous collection of quoted prayers that transmit peace and tranquility in our souls.

First: Recommendations for Business People

The Muslim business person should take the lead in business and set an example to others of how the Islamic behavior meets modern progress while relying on Allah. Realizing this end requires a set of particular recommendations that can be summed up in the following points:

1- Reconsider your intention constantly to be in line with Allah's purposes, devote your deeds to Allah and submit to His will. In return, He will pour His gifts over you and provide for you from sources you could never imagine.

2- Discipline yourself to good manners! In doing so, it will be considered an act of worship, obedience to Allah and following the example of His Prophet. Adhering to good manners incurs profit increase, multiplies wealth, and brings Allah's rewards which is better and more lasting.

3- Be kind to people since all of us are brothers sharing the love of Allah. The result will be strengthened ties, permanent intimacy, less risks, stable business and cooperation.

4- Transactions should be directed to the good, and steered away from the unlawful and doubtful. Be satisfied with what Allah

gives you and you will relish feelings of comfort and serenity.

5- Choose your partners and employees on the basis of religion and high morals so as to guarantee the stability of your business, growth in profits and strength in companionship.

6- Consider all elements of success and utilize modern technology so as to perfect your work, improve the quality of your commodity and be subsequently in the lead.

7- Business dealings must be documented and certified as a means of sustaining finance, defining rights and having mutual confidence - all create strong relations among people.

8- Be prompt and just in discharging the rights of others. This is a very important factor that induces productivity, and improves the quality of goods. Moreover, it reinforces the sense of affiliation to your company or business.

9- Your duties toward other people should be fulfilled promptly. It is a virtue on your side to give respite to the bankrupt or to relieve him altogether of his liabilities. Such conduct helps decrease disputes, deepens trust among business people and keeps transactions in balance.

10- *Zakah*, alms, gifts given as an expiation and vows (*Nudhur*) are forms of financial obligations. The accomplishment of these obligations is a means to purifying your soul and money, and to achieve prosperity for the whole society because the money from which alms are paid is never reduced because what is with Allah is better and more enduring.

11- The rights of the country represented in taxes like *Kharaj*, should be observed. Paying taxes is a national duty and a social responsibility. Accordingly, the state becomes able to establish schools and hospitals, erect bridges and roads, and pay salaries. The just distribution of income is also the state's duty.

12- *Riba* must be totally uprooted from all kinds of transactions if we want to avoid Allah's wrath. It never results in profit, as commonly thought. On the contrary, *Riba* is responsible for leaving behind nothing but loss, slump, crisis and ruin.

13- Avoid what is forbidden or bad. Not equal things that are bad and things that are good, even though the abundance of the bad may dazzle you. Never fear poverty as Allah will bestow upon you more gifts than you need.

14- Abstain from all unlawful practices such as wrongful possession of others' property, bribes, fraud, gambling, monopoly... etc. Anything produced from the forbidden is also forbidden. For example, alms that come from unlawful sources are rejected as Allah is Good and only accepts the good.

15- Raising prices without any legitimate exigency and selfishly making use of people's needs are totally prohibited. Be content with little profit as long as they are lawful and keep in mind that even if the lawful may be little it is much better than forbidden gain that is proportionately larger.

16- Being moderate in your spending is the way to success and an outstanding feature of virtuous believers who are neither

extravagant nor niggardly when spending. They quite hold a just balance between those two extremes.

17- Avoid the life of excessive luxury and extravagance, as this will lead one to the verge of failure and liquidation of business.

18- Shun the company of those who are bad and wicked, and incline towards the sincere and pious. Your friends should be righteous Muslims. Doing business with enemies of your country and religion is treason to Allah, society and your occupation.

19- Cooperate with your brother in all that is good and share business with him. Partnership between brothers yields unlimited merits if it is based on honesty and confidence. Allah always supports good company. He, Most High, says in the *hadith qudsi*:

"I am the third of two partners who abide by the pact of loyalty and honesty in their partnership."

He, Most High, urges believers to be close friends, saying,

﴿*The Believers, men and women, are protectors one of another.*﴾

(At-Taubah: 71)

20- Finally, I wish you to be one of those whom Allah says,

﴿*By men whom neither trade nor sale can divert from the Remembrance of Allah, nor from regular prayers, nor from paying zakah. Their (only) fear is for the Day when hearts and eyes will be turned about, that Allah may reward them according to the best of their deeds, and add even more for*

them out of His grace: For Allah doth provide for those whom He will, without measuring.﴾

(An-Nur: 37-38)

﴿*And keep yourself content with those who call on their Lord morning and evening, seeking His Face; and let not thine eyes pass beyond them, seeking the pomp and glitter of this life; nor obey any whose heart We have permitted to neglect the remembrance of Us, one who follows his own desires, and his affair has become all excess.*﴾

(Al-Kahf: 28)

Second: Supplications Related to Business

Business people are prone to the dangers of hard-heartedness and negligence of the remembrance of Allah because they become locked in business transactions and restrict themselves to finance and capital. Therefore, they are in need of treatment to this malady. The best remedy is a prescription that includes a set of prayers that can bring awakening to their soul and heart. These prayers will help them fulfill their needs, avoid risks, and provide them with patience and pleasure when any affliction befalls them. Here are some of the Prophet's supplications which are recommended particularly for business people:

1- When leaving for work

"In the name of Allah, I have put my trust in Allah, there is neither might nor power but in Allah." "O Allah! I ask you to provide me with the goodness of my entering and my leaving. In the name of Allah we entered and in the name of Allah we went out. On Allah, our Lord, we put our trust."

2- When riding or getting into a car or any other means of transportation

"In the name of Allah, Glory be to the One Who has made all this subservient to our use since (but for Him) we would not have been able to attain it. Hence it is unto Him, our Lord, that we must always turn."

3- When traveling or returning from a journey

"O Allah, I ask You of this, my journey, righteousness and piety; and of deeds, those which are pleasing to you, O Allah, make this, our journey, easy for us, and fold its distances (so as to make it shorter for us). O Allah, You are our Companion in travel and the protector of those we leave behind. O Allah, I seek refuge in You from the hardship of the journey ahead, and from wandering into evil and from harm befalling my wealth, family or offspring."

On return from the journey, he would repeat the same *Du`a'* and then add the following:

"Returning, repenting, worshiping, praising our Lord."

4- On arriving at a village, a city, or a town

"O Allah, Lord of the Heavens and all that they shadow, Lord of the seven Earths and all that they conceal, Lord of the Satans and all that they lead astray, Lord of the winds and all that they carry, we ask You for the good of this village, the good of its people, and whatever good is within it, as we seek refuge in You from the evil of this village, the evil of its people, and whatever evil is within it."

5- When entering a shop, a factory, or place of work

"In the name of Allah, Allah's will (will be done); there is no power but from Allah."

"All praise to Allah by Whose blessings all good things are brought to fulfillment."

6- When starting work

"O Lord! Help me, not those against me. Let victory be mine, not enemies. Plan for me, not against me."

"O Allah! What my opinion fails to reach my work is unable to do, my intention and my desire attain, from a good you promised any of Your servants or a good You bestow on any of Your creature, I wish and ask You to bestow it on me O Lord of the worlds!"

"O Allah! I ask you for constancy in my affairs, firmness in truth, gratitude to Your favor and good devotion to you. I ask refuge in You from the evil what You know, I ask You for the good of what You know. I ask for forgiving of what You know. O Knower of the Unseen."

"O Allah! I seek refuge in You from hunger; for it is a terrible bedfellow. And I seek refuge in You from treachery; for it is indeed a foul-inner lining."

"O Allah! I ask You to make the Glorious Qur'an the spring of my grief and the vanishing of my affliction and my sorrow. There is no might or power but with Allah."

7- When entering the marketplace

The Messenger of Allah (pbuh) said,

"Whoever goes into the marketplace and says, 'There is no god but Allah, the One, Who has no partner. His is the dom-

ination and His is the praise, the Giver of life and death. He is the Living Who does not die. In His hand is all good, and He has power over everything,.' will have a million good deeds accredited to Him, and a million bad deeds erased, and He will be elevated a million ranks."

"O Allah! I ask You for the good of this marketplace and the good of its people. I ask refuge in You to make a false oath in it or a loss transaction."

8- When asking for the fulfillment of a need

"There is no god but Allah, the Clement, the Generous. I celebrate the glory of Allah, Lord of the Magnificent Throne. All praise be unto Allah, Lord of the worlds. I seek of You that which will make certain (for me) Your forgiveness, as well as a share of every virtue, and freedom from every offence. Do not leave me a wrong without relieving me of it, of a need that meets with Your pleasure without providing for it. O Most Merciful of the merciful."

9- When overwhelmed by a problem

"There is no god but Allah, the Generous, the Magnificent. All praise and glorification be to Allah, Lord of the Magnificent Throne. All praise be unto Allah, Lord of the worlds. I have put my trust in the Living Who does not die. Praise be to Allah, Who begets no son, and has no partner in (His) dominion: nor (needs) He any to protect Him from humiliation: yea, magnify Him for His Greatness and Glory. O Allah! Have mercy on me. Do not leave me alone to myself even for the twinkling of an eye. Put all my affairs in order. There is no god but You, O Living, O Eternal One, we beseech You for Your Mercy."

"O Allah, I am Your servant, the son of Your servant, the son of Your maid-servant. You hold me by my Your fore-lock. Your decree is what controls me, and Your commands to me are just. I beseech You by every one of Your names, these which You use to refer to Yourself, or have revealed in Your book, or have taught to any one of Your creation, or have chosen to keep hidden with You in the Unseen, to make the Glorious Qur`an the springtime of my heart, the light of eyes, the departure of my grief, and the vanishing of my affliction and my sorrow. There is no might or power but with Allah."

10- When something happened against one's desire

"Allah did that what He had ordained to do."

11- When faced with something difficult

"O Allah, nothing is easy except that which You make easy; and when You will, You can make any difficulty easy."

"O Allah! Make the best of us control our matters, and do not make the worst of us control us."

12- When overwhelmed by debt

"O Allah, suffice me with Your halal (lawful) from seeking Your haram (unlawful), and free me by Your beneficence from seeking the help of others. "O Allah! I seek refuge in You from affliction, sorrow, incapacity, sloth, cowardice and miserliness. And I seek refuge in You from the burden of debt and the domination of men."

"In the name of Allah for myself, my wealth, my religion. O Allah! Make me happy with what You decide for me, and

bless me in whatever You decide for me so that I desire neither the expediting of what You have postponed, nor the postponement of what You have expedited!"

"O Allah! Lord of Power (and Rule), you give Power to whom You please and You strip off Power from whom you please, you endow with honor whom You please and bring low whom You please: in Your hand is all Good. Verily, over all things You has power." The Merciful of this world and the Hereafter. You endow them upon whom You please and abstain them from whom You please. Grant me a mercy with which sufficing me from the mercy of others."

13- When commencing a meeting

"In the Name of Allah, I have put my trust in Allah, there is neither might nor power but in Allah."

"Our Lord! Bestow on us mercy from thyself, and dispose of our affair for us in the right way."

"O my Lord! Expound my breast; ease my task for me; and remove the impediment from my speech, so that I may understand what I say."

14- When leaving a meeting

"Glory be to You, O Allah; all praise is due to You; I bear witness that there is no deity but you. I beg Your forgiveness and repent to You."

"Glory be to the Lord, the Lord of Honor and Power! (He is free) from what they ascribe (to Him)! And peace on the messengers and praise be to Allah, the Lord and Cherisher of the worlds."

"O Allah! Grant us consciousness that will prevent us from committing sins, the obedience necessary to gain for us admission to Your Paradise and the Unswerving faith necessary to minimize for us the tribulations of this world. O Allah! Allow us to enjoy our hearing, our sight, and our strength for as long as we live, and make that enjoyment our heirs (so that when we are gone those who have benefited through us will remember to pray for us). Place our vengeance on those who have wronged us and give us victory over our enemies. Try us not in our faith. Neither make this world our greatest concern or the extent of our knowledge, nor give power to those over us who would oppress us and does not fear You."

15- When paying *Zakah* or *Sadaqah*

"Our Lord! Accept (this service) from us: for thou art the All-Hearing, the All-Knowing."

16- When finishing a work

"All praise to Allah by Whose blessings all good things are brought to fulfillment."

"Glory be to thy Lord of Honor and Power! (He is free) from what they ascribe (to Him)! And peace on the messengers! And praise be to Allah, the Lord and Cherisher of the worlds."

Third: A Call to Business People

We call business people to return to the teachings of Islam, those who lost amidst the darkness of the barren wilderness of life; those are who anxious about this moribund human society

are eager to snatch it from the jaws of destruction; those who stand bewildered before the gateway to reform not knowing which way to pass through; those whose hearts are confined within the labyrinth of jumbled means and ends, and unable to find themselves a real cause, those who have surrendered their will to blank thought and irresolute reasoning till they enter the inferno of abortive experience; and those who wish to harvest the gifts of both the present life and the life to come. To all these people I direct the following Qur'anic call,

> ﴾*There hath come to you from Allah a (new) light and a perspicuous Book. Wherewith Allah guideth all who seek His good pleasure to ways of peace and safety, and leadth them out of darkness, by His Will, unto the light, guideth them to a Path that is Straight.*﴿

(Al-Ma'idah: 14-15)

Conclusion

The present work draws the broadlines of the Islamic code for business people. It proposes the fundamental principles of this code, the items to be observed and some Islamic prescriptions to yield it fruitful. In this part, significant conclusions which this study aims to demonstrate will be drawn. They are as follows:

1- When the materialistic values prevail over moral and spiritual values, problems increase and and blessings decrease. However, a strong Islamic awakening appeared, especially in the West, calling for the return of good morals and ethics in transactions. They promote the motto: "Good Ethics, Good Business" and "Good Ethics, High Profit".

2- There is a legal necessity and a practical need in all Muslim and Arab nations for a business code that stems from our belief, and derived from the Qur'an, *Sunnah* and *Ijma`* (consensus). It should focus on the modern and advanced attitudes in this field as long as they do not oppose the Islamic *Shari`ah.* Applying it to all people without exception is essential since all the messages of Allah share the same notions and are harmonious with the sound nature of man.

3- Correction and improvement of business and behavior, and the discharge of one's obligations towards Allah, one's

country and occupation are some of the major aims of this code to help solve problems in the business community. Islam represents to the whole world a highly civilized model that can be imitated in setting similar codes. It also asserts that it is the religion of all people for every time and place. Allah, Most High, commands His Prophet (pbuh) to say,

﴿*O men! I am sent unto you all, as the Messenger of Allah.*﴾

(Al- A`raf: 158)

4- The Islamic code of ethics for business relies on its application and on some incentives. The most important of them are:

- the religious incentive latent in our souls;
- the moral incentive apparent in high manners;
- the social incentive that stems from the sense of social responsibility;
- the occupational incentive that arises from belonging to one's occupation;
- the national incentive ensued from the love of one's country;
- the governmental incentive which binds one's behavior to the government's legislation.

5- The application of this code requires certain foundations:

- business people who believe in the importance of ethics and values;
- a legal entity based on international regulations and rules that take the task of implementing the items of this code;

- an executive body that is attached to the legal entity and holds the responsibility of observing the application of the code;
- a set of stimuli and checks.

6- The code has been divided into certain groups, each containing a number of consistent items that are put in the following order:
   - personal formation of business people;
   - determinants of lawful business fields;
   - relations with others;
   - towards perfect work and improved quality;
   - certification of contracts;
   - acceleration of the discharge of rights;
   - forbidden areas of business;
   - restraints and penalties.

7- The implementation of this code is dependent on some fundamentals, that is to say, the self-responsible business person, the general compliance to the code's ethics along with the existence of a legal entity related to business. Among the aims of this legal framework is the execution of the code's principles, the protection of business people's rights, and the formal representation of business people before governmental or non-governmental bodies concerned with public interests. This legal entity should be in tune with other associations, organizations and consortiums that adopt the same objectives.

8- The legal entity designated to execute the code items must enjoy the following:

- regularity - which means abiding by regulations and by-laws of the state in which the code is valid as a way of confirming its implementation;
- freedom of membership - every business person has the right to join the code irrespective of his belief or nationality since he works in the state which adopts the code;
- technical efficiency - those responsible for applying this code should be experienced and skillful enough to manage its affairs;
- expansion - such a code should be applied to all business people within the same country without exception. Furthermore, it should reach all the different provinces and governorates;
- legality - this legal framework must act in conformity with Allah's rules, which enhance commitment to elevated morals and sound behavior;
- modernity - the management of this code should live up to the standard of modern progress and technology. Wisdom is the long pursuit. Whenever the Muslim finds it, he should seize it.

9- Discrimination of business people on grounds of belief, race or ethnicity is not among the code's objectives. On the contrary, gathering all business people under the wings of such a code that is based on religion, ethics and good

behavior is the real aim. This will guarantee a successful application of the code.

10- The code asserts that Islam is the true message of Allah to all people. Islam is a comprehensive way of life that tackles all aspects of life. The Islamic *Shari`ah* has handled the generalities within the sphere of dealings, while independent reasoning deduces what has not been mentioned in the Qur'an or the *Sunnah*. Islam is the firm wheel which passes life without being impeded by the obstacles of time, place and circumstance.

Now, we can say this *Code* can enrich the other codes applied all over the world and develop them so as to bring them in harmony with Allah's Messages and be in tune with the essence of Islam, which, in turn, is in harmony with the sound nature of mankind.

Glossary of Arabic Terms

Al-Maslah Al-Mursalah : Public Interest, which is a secondary source of Islamic Legislation.

Du`a' : Supplication to Allah.

At-Tawzeef : A contemporary tax that the Muslim rule has the right to levy upon people or a group of them so as to meet a contemporary need.

Fiqh Al-Mu`amalat : The Islamic rules pertaining to business transactions.

Faqih (pl. ***fuqaha'***): Scholar of Islamic Jurisprudence (*fiqh*) and can give religious verdicts.

Hadith quddsi : *Hadith* in which the Prophet (peace be upon) told something from Allah, the Almighty. In the Prophetic *Hadith*, the chain of authorities ends with the Prophet (pbuh), while in the *Hadith qudsi*, the final attribution is to the Almighty.

Ijitihad : Personal Reasoning. It is a secondary source of the Islamic Law.

Ijma` : "Consensus" or "Agreement". The third most important source of Islamic Law where it denotes the unanimity of the practice and belief of all, part of, and the total community of the believers.

Istihsan : "Preference," a secondary source of Islamic Law. It means to give verdict from one's heart only with a satisfaction, and one cannot express it. Only the Hanafi school of thought validates it while the rest of the schools reject it.

Qiyas : "Analogy" - the fourth source of Law in the Islamic Legal system.

Riba : Sometimes known as usury but more commonly known today as interest or accumulative interest applied by banks, finance systems or individuals.

Shari`ah : The Islamic Law.

Sunnah : All the traditions and the practices of the Prophet (pbuh) that have become a model to be followed by the Muslims.

Usul Al-Fiqh : Principles of Islamic Jurisprudence.

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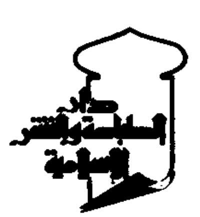
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